

Notice of meeting and agenda

Governance, Risk and Best Value Committee

10.00 am Tuesday, 9th June, 2020

Virtual Meeting - via Skype

This is a public meeting and members of the public are welcome to watch the live webcast on the Council's website.

The law allows the Council to consider some issues in private. Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

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1. Order of Business

- 1.1 Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

2. Declaration of Interests

- 2.1 Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

3. Deputations

- 3.1 If any

4. Minutes

- 4.1 Minute of the Governance, Risk and Best Value Committee of 18 February 2020 – submitted for approval as a correct record 7 - 12

5. Outstanding Actions

- 5.1 Outstanding Actions – 9 June 2020 13 - 38

6. Upcoming Reports July and August 2020

- 6.1 Upcoming Reports July and August 2020 39 - 40

7. Business Bulletin

- 7.1 None.

8. Reports

- 8.1 Internal Audit - Covid-19 Response – Report by the Chief Internal Auditor 41 - 54
- 8.2 Draft Annual Governance Statement – Report by the Chief Executive 55 - 80

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|------------|--|---------|
| 8.3 | Whistleblowing Annual Report – Report by the Chief Executive | 81 - 86 |
| 8.4 | Whistleblowing Update – Report by the Chief Executive | 87 - 90 |

9. Motions

- 9.1** If any

10. Resolution to Consider in Private

- 10.1** The Committee is requested under Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting for the following items of business on the grounds that they would involve the disclosure of exempt information as defined in Paragraphs [xx] of Part 1 of Schedule 7A of the Act.

11. Private Reports

- | | | |
|-------------|--|----------|
| 11.1 | Whistleblowing Monitoring Report – Report by the Chief Executive | 91 - 142 |
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Laurence Rockey

Head of Strategy and Communications

Committee Members

Councillor Joanna Mowat (Convener), Councillor Eleanor Bird, Councillor Jim Campbell, Councillor Maureen Child, Councillor Phil Doggart, Councillor Gillian Gloyer, Councillor Claire Miller, Councillor Rob Munn, Councillor Gordon Munro, Councillor Susan Rae and Councillor Norman Work.

Information about the Governance, Risk and Best Value Committee

The Governance, Risk and Best Value Committee consists of 11 Councillors and is appointed by the City of Edinburgh Council. The meeting will be held by Skype and will be webcast live for viewing by members of the public.

Further Information

If you have any questions about the agenda or meeting arrangements, please contact , Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court,

4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4240 / 0131 529 4003, email lesley.birrell@edinburgh.gov.uk / sarah.stirling@edinburgh.gov.uk.

The agenda, minutes and public reports for this meeting and all the main Council committees can be viewed online by going to www.edinburgh.gov.uk/cpol.

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Minutes

Governance, Risk and Best Value Committee

10.00am, Tuesday, 18 February 2020

Present

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

1. Minute

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 14 January 2020 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 6 (2) - Accounts Commission – Local Government in Scotland: Challenges and Performance 2019 – referral from the Finance and Resources Committee

Action 7 – Internal Audit Annual Opinion for the year ended 31 March 2019

Action 12 (1) - City of Edinburgh Council – 2018/19 Annual Audit Report to the Council and the Controller of Audit

Action 15 (1) – Historic and Outstanding Internal Audits – Health and Social Care

Action 19 – Half Year Capital Monitoring 2019/20 Position - referral from the Finance and Resources Committee

2) To note:

Action 16 – a response had been received from the Convener of the Policy and Sustainability Committee and details would be in the Business Bulletin of the next committee.

Action 22 – Place Directorate had advised that a briefing note would be available by 28 February 2020.

3) To otherwise note the outstanding actions

(Reference – Outstanding Actions 14 January 2020, submitted.)

3. Work Programme

Decision

To note the Work Programme.

(Reference – Governance, Risk and Best Value Committee Work Programme 18 February 2020, submitted.)

4. Business Bulletin

Decision

To note the Business Bulletin.

(Reference – Governance, Risk and Best Value Committee Business Bulletin 18 February 2020, submitted.)

5. Revenue Monitoring 2019/20 - Month Eight Position- referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report to the Governance, Risk and Best Value Committee for consideration, which set out the projected Council-wide revenue budget position for the year based on analysis of period eight data, building on the earlier in-year forecasts reported to the Finance and Resources Committee.

Decision

- 1) To note the report.
- 2) To agree that details of the membership of the Housing Services Improvement Plan Board would be circulated.

(References – Finance and Resources Committee, 23 January 2020; report by the Chief Executive, submitted.)

6. Capital Monitoring 2019/20- Month Eight Position - referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report which provided capital expenditure and income forecasts for 2019/20, providing explanations for significant

variances, to the Governance, Risk and Best Value Committee to consider as part of its work plan.

Decision

- 1) To note the report.
- 2) To agree that details of any payment for Leith Theatre due to delays caused by relocation of an electrical substation would be circulated.

(References – Finance and Resources Committee, 23 January 2020; report by the Chief Executive, submitted.)

7. Accounts Commission: Local Government in Scotland – Financial Overview 2018/19 - referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report which provided a summary of the main issues and themes identified within the Accounts Commission's recently-published Financial Overview 2018/19 and how these related to the local context within Edinburgh to the Governance, Risk and Best Value Committee to consider as part of its work plan.

Decision

- 1) To note the report.
- 2) To agree that a briefing note on the transfer of moneys from the NHS to the Council, and the recent SPICe briefing on Local Government Finance would be circulated.
- 3) To note Committee's request that the report should be considered at the next meeting of the IJB Audit and Assurance Committee.

(References – Finance and Resources Committee, 23 January 2020; report by the Chief Executive, submitted.)

8. Treasury Management Mid-Term Report 2019/20 - referral from the City of Edinburgh Council

The City of Edinburgh Council had referred a report which provided an update on Treasury Management Activity undertaken in the first half of 2019/20, to the Governance, Risk and Best Value Committee to consider as part of its work plan.

Decision

- 1) To note the report.
- 2) To note the Committee's thanks to the Principal Treasury & Banking Manager and his team for the level of outperformance against the benchmark.

(References – City of Edinburgh Council, 6 February 2020; report by the Chief Executive, submitted.)

9. Internal Audit: Proposed Changes to the 2019/20 Internal Audit Annual Plan

Details were provided of five routine (non-urgent) changes to the 2019/20 Internal Audit annual plan.

Decision

- 1) To note that the five proposed routine (non-urgent) changes to the 2019/20 Internal Audit (IA) annual plan have been discussed with both the Corporate Leadership Team (CLT) and the Committee Convenor, who have confirmed their agreement in principle.
- 2) To approve the five proposed changes.

(References – Governance, Risk and Best Value Committee, 28 August 2018 (item12); report by the Chief Internal Auditor, submitted.)

10. Annual Assurance Schedule - Chief Executive

The Chief Executive Annual Assurance Schedule was submitted for scrutiny and to note that an action plan would be developed in response to areas where controls needed to be enhanced.

Decision

- 1) To note the annual assurance schedule.
- 2) To agree that details would be provided on item 3.2 of the assurance statement in relation to the service area's controls to effectively manage off-payroll workers/contractors, including what the issues were and how they were followed up.

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

11. The EDI Group - update report - referral from the Housing, Homelessness and Fair Work Committee

The Housing, Homelessness and Fair Work Committee had referred a report which provided an update on the progress of the transition strategy for the EDI Group Limited, which aimed to close the group and its subsidiary companies and bring their projects and assets into the Council.

Decision

- 1) To note the report.

- 2) To request that the forthcoming 2019 Annual Accounts report include detail of the reasons for the reduced revenue for the Market Street Hotel.

(References – Housing, Homelessness and Fair Work Committee, 20 January 2020; report by the Chief Executive, submitted.)

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Outstanding Actions

Governance, Risk and Best Value Committee

9 June 2020

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	01/08/2017	Governance, Risk and Best Value Work Programme – 1 August 2017	To note an investigation report on retention of case records would be reported to the appropriate committee and a timescale for this would be provided as soon as possible.	Executive Director for Communities and Families	<p>March 2020</p> <p>December 2019</p> <p>November 2019</p> <p>August 2019</p> <p>April 2019</p>		<p><u>June 2020 Update:</u></p> <p>Recommendation 1.2 of the Internal Audit Update Report: 1 November 2019 to 10 February 2020 on the agenda for the March meeting of the Committee had recommended this outstanding action for closure.</p> <p>The meeting was cancelled due to the Covid-19 situation.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p><u>November 2019</u></p> <p>An update was circulated on 6 November 2019.</p> <p><u>October 2019</u></p> <p>A team has now been established to review the historic population of files to identify any that could potentially have been merged with incorrect file retention dates applied. Internal Audit will review the scope and approach being applied to this review in October to confirm that it is appropriately designed to ensure that any merged</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>files are identified and reviewed.</p> <p>A final report detailing the outcomes of this work together with Internal Audit recommendations in relation to the review process applied to files prior to their destruction will be presented to the Governance Risk and Best Value Committee in December 2019.</p> <p><u>May 2019</u></p> <p>Strategy and Comms are preparing a paper which will include the outcomes of the audit findings – this</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>will be reported to the Corporate Policy and Strategy Committee and referred thereafter to GRBV.</p> <p><u>Update</u></p> <p>The internal auditor's investigation is still ongoing therefore it may take a few months before an update is provided.</p> <p>The Executive Director for Communities and Families will provide an update once the Chief Internal Auditor's investigation is concluded.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							The final audit report would be referred from the Policy and Sustainability Committee to GRBV.
2	26/09/2017	Principles to Govern the Working Relationships between the City of Edinburgh Council Governance, Risk and Best Value Committee and the Edinburgh Integrated Joint Board Audit and Risk Committee	To accept the high-level principles subject to further information on how elected members could best engage with the process.	Chief Internal Auditor	May 2020 September 2019 January 2019 November 2017		<u>September 2019</u> A briefing note by the Chief Internal Auditor was circulated to members separately.
3	31/07/18	Expansion of Early Learning and Childcare from 600 – 1140 hours by 2020. Audit Scotland Report and Risks	To ask the Chief Executive to submit a report to the Edinburgh Partnership on workforce planning.	Executive Director for Communities and Families	March 2020 December 2019 October 2019 June 2019	March 2020	Recommended for closure <u>March 2020:</u> A report was considered at Education, Children and Families

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>Committee on 03.03.20</p> <p>Report link</p> <p><u>December 2019</u></p> <p>An update was provided to members on 12.12.19.</p> <p>To note a report is due to be submitted to Education, Children and Families Committee in March 2020</p> <p><u>September 2019</u></p> <p>The Edinburgh Partnership will consider this report on 18 September 2019, in order to allow it to be</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p>considered by the Education, Children and Families Committee on 8 October 2019.</p> <p><u>May 2019</u></p> <p>The report was submitted to the Education, Children and Families Committee in March 2019 and it will be submitted to the Edinburgh Partnership in October 2019.</p> <p><u>October 2018</u></p> <p>A report is scheduled to go to the Education, Children and Families Committee in</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							March 2019 and will be reported to the Edinburgh Partnership thereafter.
4	28/08/18	Committee Reporting	To request a report by the end of 2019 to monitor the impact of the steps taken to improve the process.	Chief Executive	September 2020 February 2020 December 2019		<u>June 2020 Update</u> - Due to the Covid-19 emergency the roll out of Modern Gov phase two has been delayed. Work is being carried out on whether the project can be progressed further while on lockdown
5	04.06.19	Welfare Reform Annual Report	To agree that the Convener would write to the Convener of the Corporate Policy and Strategy Committee recommending that he write to the UK	Convener	February 2020 December 2019 August 2019		<u>February 2020 Update</u> – Update in Business Bulletin in February 2020. The Convener of the Policy and Sustainability

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			Government requesting assistance to mitigate the impact of welfare reform, and that details, including any responses, would be provided in the Committee's Business Bulletin.				<p>Committee has written to the Secretary of State for Work and Pensions in the UK on 6 February 2020. To date, no response from the Secretary of State for Work and Pensions in the UK has been received.</p> <p><u>December 2019 Update</u> - Convener has written to the Convener of the Policy and Sustainability Committee. Details including any responses will be provided in the Committee's Business Bulletin at a future meeting.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
6	13.08.19	Annual Update on Council Transport Arms-Length Companies	To agree that the report to Policy and Sustainability Committee later this year would provide additional clarity regarding the reporting arrangements for ALEOs to the Council and governance schematics and this should be referred back to GRBV Committee.	Chief Executive	July 2020 February 2020 November 2019		<p><u>March 2020 Update</u> An update was due to be provided on the business bulletin for this meeting. The March meeting was cancelled due to Covid-19.</p> <p><u>December 2019 Update</u> Report will be on the agenda for the Policy and Sustainability Committee on 25 February 2020.</p>
7	13.08.19	Marketing Edinburgh Annual Update	To agree that details would be provided about the amount of income generated by Film Edinburgh for the Council.	Executive Director of Place	October / November 2020 February 2020		<p><u>June 2020: Update</u> More detailed report due at Policy & Sustainability in October 2020. Then onto the next</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
					January 2020		<p>available GRBV.</p> <p><u>March 2020:</u> Update The report was scheduled to come to the March meeting. This meeting was cancelled due to the Covid-19 outbreak.</p> <p><u>February 2020:</u> Update A report on filming in Edinburgh will be considered by Policy & Sustainability Committee on 25 February 2020. This includes details of the income recovered by the Council. This report will also</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							be shared with Governance Risk and Best Value.
8	17.09.19	Outstanding Actions – Procedure for Oversight of Annual Assurance Statements	To request that an update be provided in the Committee’s Business Bulletin on the procedure for Committee oversight of the annual assurance statements.	Chief Executive	February 2020 January 2020 December 2019	February 2020	Recommended for closure <u>February 2020:</u> An update was included in the Business Bulletin for February Committee meeting <u>January 2020:</u> Update Democracy, Governance & Resilience Senior Manager provided a verbal update at the meeting.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
9	17.09.19	Work Programme – Management of Sheltered Housing	1) To request a report on the management of sheltered housing under Items for Scrutiny.	Chief Officer, Edinburgh Health and Social Care Partnership	October 2019		1. CLOSED. 1. Report submitted to Committee on 29 October 2019. New action opened (see 17 below)
		Work Programme – Member/Officer Protocol	2) To add the review of the Member/Officer Protocol to the workplan with timescales for submission and to agree that a workshop for members would be held prior to submission to the Committee.	Chief Executive	September 2020 January 2020		<u>June 2020 Update</u> Consideration of the member/officer protocol is awaiting the finalisation of the revised Code of Conduct from the Scottish Government that will impact on the content of the Protocol. Timescales to be confirmed.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p><u>December 2019</u></p> <p>Workshop with members held on 29 October 2019. A joint workshop will be arranged with officers and members early 2020 (following the General Election).</p>
10	29.10.19	Quarterly Status Update – Digital Services Programme	<p>1) To note the quarterly update.</p> <p>2) To request that a further report be brought back to Committee in six months on the Customer Digital Enablement programme once the new CRM had bedded in focussing on the benefits</p>	Executive Director of Resources	Quarter 3		<p><u>June 2020 Update</u></p> <p>It was agreed by members and officials in the run up to working remotely as a result of Covid-19 that the Digital Report would be pushed out to quarter 3 to focus on critical service decisions which required to be made at</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			realisation and evaluation of the project.				Committee. As this report on CDE will be part of the next Digital update it will be included in the Q3 report. The positive news is that the closure report is now finalised and phase 1 of the programme completed, so all work has been done and the verbal update will be discussed at Committee at Q3.
11	29.10.19	City of Edinburgh Council – Sheltered Housing	1) To note the report and the work ongoing to maintain and improve services for residents of sheltered housing and strengthen	Chief Officer, EHSCP	October 2020	March 2020	Recommended for closure <u>June 2020</u> Update Sheltered Housing is now on the annual cycle for the EIJB for October

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>resident involvement.</p> <p>2) To request that a further update be presented to the Integration Joint Board, as the parent reporting body for the Health and Social Care Partnership, in one year focussing specifically on key improvements to address social isolation and communication with residents with a request that the report is thereafter referred to this Committee for its consideration.</p>				2020.

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
12	03.12.19	Historic and Outstanding Internal Audits – Health and Social Care	<p>1) To ask for an update in the Business Bulletin for the next meeting on new management actions on overdue internal audit items and whether they were on track to achieve their implementation dates.</p> <p>2) To circulate the briefing note on the relationships between the IJB, NHS Lothian and the Council previously prepared by the Democracy, Governance & Resilience Senior</p>	<p>Chief Officer, Edinburgh Health and Social Care Partnership</p> <p>Chief Executive</p>	<p>January 2020</p> <p>March 2020</p>		<p>1) Closed</p> <p>1) January 2020: Update provided in Business Bulletin of 14 January 2020</p> <p>Recommended for closure</p> <p>2) June 2020: Update Governance Relationship between the Council and the EIJB report was circulated to members on</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>Manager to members; the briefing note to be expanded to include:</p> <ul style="list-style-type: none"> • Clarification of the scrutiny process for projects instructed by the IJB but delivered by the Council and its officers • Confirmation of where the key controls sit in relation to the delivery of the health and social services delegated from the IJB. 				08.01.20. Democracy, Governance & Resilience Senior Manager provided a verbal update at the January meeting.
			3) To agree that an update be provided in the Business Bulletin for the next	Chief Executive	March 2020		<u>June 2020 Update</u> An update was due to be provided in the business

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			meeting of this Committee setting out when the information on the relationship between the IJB and the Council will be coming forward.				bulletin for the March Committee meeting. This meeting was cancelled due to the Covid-19 situation.
13	03.12.19	Corporate Leadership Team Risk Register	Convener 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.	Convener	February 2020	February 2020	<p>Recommended for closure</p> <p><u>June 2020 Update</u> Letter circulated to members on 19.02.20</p> <p><u>February 2020 Update –</u> Response has been received from the Convener of Policy and Sustainability</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<p><u>January 2020:</u> Update Committee agreed on 14 January 2020 that this action would remain open until response was received.</p> <p>Convener wrote to the Convener of Policy and Sustainability on 4 December 2019.</p>
14	03.12.19	Annual Assurance Schedule - Place Directorate	1) To request a report back setting out what operational governance is in place to ensure that projects are delivered.	Executive Director of Place	August 2020 March 2020		<p><u>June 2020:</u> Update This report will come to Committee in due course.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			2) Information to be provided to all Elected Members on the new city wide and locality team structures together with contact details of designated Senior Responsible Officers for major and local projects.	Executive Director of Place	August 2020 March 2020		
15	03.12.19	Whistleblowing Investigation Report – Report by the Chief Officer, Edinburgh Health and Social Care Partnership – B agenda	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.	Chief Officer, Edinburgh Health and Social Care Partnership	March 2020		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
16	14.01.20	Annual Assurance Schedule - Communities and Families	To agree that an update would be provided on the Education, Children and Families Committee Business Bulletin, including a link to the full report.	Executive Director for Communities and Families	March 2020	March 2020	<p>Recommended for closure:</p> <p>An update was provided on the Business Bulletin for the Education, Children and Families Committee on 3 March 2020.</p> <p>Link here</p>
17	14.01.20	Council Companies - Edinburgh Leisure Annual Report 2018/19	To agree that the full accounts should be submitted to Committee and that the Convener would liaise with the Convener of the Culture and Communities Committee regarding the reporting timeline.	Executive Director for Communities and Families	March 2020		<p><u>June 2020 Update</u></p> <p>The full accounts were scheduled to be presented to Committee at its March meeting. This meeting was cancelled due to Covid-19.</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
18	14.01.20	Place Directorate – Internal Audit Action Update - referral from the Transport and Environment Committee	That a note would be circulated providing an update on implementation dates.	Executive Director of Place	June 2020 February 2020		This information will be circulated in advance of Committee on 9 June 2020.
19	18.02.20	Revenue Monitoring 2019/20 - Month Eight Position	To agree to circulate details of the membership of the Housing Services Improvement Plan Board	Executive Director of Place	March 2020	March 2020	Recommended for closure Details sent 05.03.20
20	18.02.20	Capital Monitoring 2019/20- Month Eight Position	To agree to circulate details of any payment for Leith Theatre due to delays caused by relocation of an electrical substation.	Executive Director of Resources	March 2020	June 2020	Recommended for closure Details on this have been included in a briefing note circulated to Committee in June 2020.
21	18.02.20	Accounts Commission: Local Government in Scotland – Financial Overview 2018/19	1) To agree to circulate a briefing note on the transfer of	Executive Director of Resources	March 2020	June 2020	1) Recommend for closure Briefing note on

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			<p>moneys from the NHS to the Council, and the recent SPICe briefing on Local Government Finance.</p> <p>2) To note Committee's request that the report should be considered at the next meeting of the IJB Audit and Assurance Committee.</p>	Committee Services.	March 2020	March 2020	<p>this has been circulated to Committee in June 2020.</p> <p>2) Recommended for closure</p> <p>Local Government in Scotland – Financial Overview 2018/19 was on the agenda for the IJB Audit and Assurance Committee on 11.03.20</p>
22	18.02.20	Internal Audit: Proposed Changes to the 2019/20 Internal Audit Annual Plan	To request that the process for approval of urgent and routine (non-urgent) changes to the Internal Audit annual plan be resubmitted for	Chief Executive	March 2020		<p><u>June 2020 Update</u></p> <p>An update was scheduled to be presented to Committee at its</p>

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			consideration at the next meeting of committee to ensure compliance with the Committee Terms of Reference.				March meeting. This meeting was cancelled due to the Covid-19 situation.
23	18.02.20	Annual Assurance Schedule - Chief Executive	To agree that details would be provided on item 3.2 of the assurance statement in relation to the service area's controls to effectively manage off-payroll workers/contractors, including what the issues were and how they were followed up.	Chief Executive	August 2020		
24	18.02.20	The EDI Group - update report	To request that the forthcoming 2019 Annual Accounts report include detail of the reasons for the reduced revenue for the Market Street Hotel.	Executive Director of Place	March 2020		June 2020: Update This will be incorporated in the 2019 annual accounts report.

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GRBV Upcoming Reports

Appendix 1

Report Title	Type	Flexible/Not Flexible
July 2020		
Decisions Taken Under Delegated Power and Operational Decision Making – Covid-19 – referral from the Policy and Sustainability Committee	Scrutiny	Flexible
Annual Reporting on Council Arms' Length Companies - Update	Scrutiny	Flexible
August 2020		
Annual Assurance Schedule	Scrutiny	Flexible
Internal Audit Opinion 2019/20	Scrutiny	Flexible

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Governance, Risk and Best Value Committee

10am, Tuesday 9 June 2020

Internal Audit: Covid-19 Response

Item number

Executive/routine

Wards

Council Commitments

1. Recommendations

It is recommended that the Committee:

- 1.1 reviews and approves the Internal Audit Covid-19 response in relation to delivery of the Council's 2019/20 Internal Audit (IA); annual plan and opinion; and open IA findings.
- 1.2 reviews and approves IA's proposed approach to provide assurance on new processes established and changes to existing service delivery processes in response to Covid-19.
- 1.3 notes that the Covid-19 response and proposed approach to provision of assurance on new and amended processes is aligned with Public Sector Internal Audit Standards (PSIAS); Institute of Internal Audit (IIA) Covid-19 guidance; and recent guidance provided by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Internal Audit Standards Advisory Board (IASAB) in relation to conformance with the PSIAS during the Covid-19 pandemic.

Lesley Newdall

Chief Internal Auditor

Legal and Risk Division, Resources Directorate

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Internal Audit: Covid-19 Response

2. Executive Summary

- 2.1 The purpose of this paper is to update the Committee on Internal Audit's (IA) proposed response to Covid-19 and the impact of these changes on delivery of the 2019/20 IA annual plans and opinions for the City of Edinburgh Council (the Council), and other arm's length external organisations (ALEOs).
- 2.2 It is currently expected that IA will be able to complete 70% of the Council's 2019/20 IA annual plan to support delivery of a limited 2019/20 annual opinion as there will now be reduced coverage on three key risks that consistently feature in the Corporate Leadership Team (CLT) risk register as a result of the Coronavirus impact upon the Council.
- 2.3 It is currently proposed that the remaining 30% of the Council's 2019/20 IA plan (13 audits) is carried forward into the 2020/21 annual plan year, together with co-source support to deliver 8 of these audits, and that the proposed 2020/21 annual plan is updated in July for subsequent review and approval by the Governance, Risk, and Best Value (GRBV) Committee in August 2020.
- 2.4 It is important that proportionate assurance is provided on the design of new and amended service delivery processes implemented by the Council in response to Covid-19, to enable management to confirm that risks associated with them are being appropriately managed in line with expectations. Further details on the proposed assurance approach to be applied by IA is included at 4.6 to 4.9 below, with provisional details of the processes to be reviewed included at Appendix 3. It is also proposed that the outcomes of this assurance activity are included in the revised 2020/21 IA annual plan.
- 2.5 It is recommended that a four month extension is applied to all currently open and overdue IA findings across the Council, enabling management to focus on ongoing resilience activities and the transition back to business as usual in due course, although management should be encouraged (where possible) to work with IA towards closure.

Arm's Length External Organisations

- 2.6 The SEStran audit has been completed, and the LVJB audit is currently in progress. IA is currently engaging with the Tattoo to determine whether their planned audit can be completed by July 2020.

3. Background

- 3.1 COVID-19 is a respiratory disease caused by a type of coronavirus that has now been classified by the World Health Organisation (WHO) as a pandemic as it is a worldwide spread of a new disease that affects large numbers of people.
- 3.2 IA paused all assurance activity in March to enable the Council to focus on implementing its resilience activities in response to Covid-19.
- 3.3 In response to WHO; UK Government; and Scottish Government guidance, Scottish Local Authorities have implemented emergency resilience plans and new measures to protect their most vulnerable citizens (such as the elderly) and ensure that employees can continue to provide core services. Consequently, the Council has implemented some new, and has made changes to some existing, service delivery processes in response to Covid-19.
- 3.4 It is the responsibility of the Council's Chief Internal Auditor to provide an independent and objective IA annual opinion on the adequacy and effectiveness of the Council's control environment and governance and risk management frameworks in line with Public Sector Internal Audit (PSIAS) requirements. The opinion is provided to the GRBV Committee; is based on the outcomes of an approved risk based annual IA plan; and should be used to inform the Council's Annual Governance Statement.
- 3.5 The 2019/20 IA annual plan includes a total of 43 audits to be delivered across the Council, with the 2019/20 IA annual opinion scheduled to be presented to the GRBV Committee in August 2020.
- 3.6 IA also provides assurance to three external arm's length organisations (ALEOs). One audit is performed annually for each of these organisations.
- 3.7 It is important that IA responds appropriately to the current situation by making appropriate adjustments to annual plan delivery, enabling first and second line teams focus on key operational resilience activities, whilst considering the impact this will have on annual opinion outcomes.

4. Main report

The Council's 2019/20 Internal Audit Annual Plan and Opinion

- 4.1 As at 19 March 2020, a total of 9 audits had been completed; 5 draft reports were with management; with a further 7 draft reports being prepared. A total of 9 reviews were in the latter stages of fieldwork and will require minimum involvement from first

and second line teams between June and July 2020 to support finalisation of audit reports. Further information is included at Appendix 1.

- 4.2 If these audits can be finalised a total of 30 of the 43 (70%) planned Council audits can be delivered and finalised to support the 2019/20 IA annual opinion.
- 4.3 The overall impact of this 30% reduction in the plan for 2019/20 is reduced assurance on Health and Social Care; Digital Services; and ongoing management of Council properties. These areas are all currently included in the Corporate Leadership Team risk register as red (original) and amber (current) risks. There will also be a reduced level of coverage across the Communities and Families Directorate in comparison to the planned coverage included in the 2019/20 annual plan.
- 4.4 Adopting this approach will result in a limited annual opinion for 2019/20. The Chief Internal Auditor has engaged with the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Internal Auditors (IIA) who jointly authored the PSIAS; and other Scottish Local Authority Chief Internal Auditors to confirm that the approach to the annual opinion is aligned with the Public Sector Internal Audit Standards (PSIAS); recent guidance issued by CIPFA and other Scottish Local Authorities
- 4.5 If this approach is adopted, support will be required from management to work with IA to finalise the 2019/20 reports. It is hoped that this can be achieved as the Council has now moved to a more stable business as usual resilience position. Further detail on the support that will be required from both CLT and management to support completion of these audits is included at Appendix 2.

Assurance on new and amended Covid-19 processes

- 4.6 It is important that management is provided with adequate and proportionate assurance on the new and emerging risks associated with new and amended Covid-19 service delivery processes implemented by the Council, and it is proposed that IA focuses on providing assurance on the design of these processes between June and September 2020.
- 4.7 It is proposed that IA will review the design of the processes, and not their operating effectiveness, focusing instead on whether objectives are being achieved (for example, all business grant applications are processed within ten days of receipt as per Scottish Government guidance) with appropriate and acceptable risk tolerances applied (for example, limited as opposed to a fully comprehensive range of fraud checks is performed) that reflects the critical nature of these services and the Council's current workforce capacity.
- 4.8 An agile 'light touch' IA methodology approach will be adopted to support this assurance work ensuring that (whilst IA remains compliant with the PSIAS), time required from both employees and management to support these reviews is minimised. This approach will be based on process walkthroughs to assess the design of key process controls and will involve IA supporting management with

immediate implementation of solutions to address any significant control gaps. Short summary reports will also be provided detailing the work performed; the outcomes; and solutions implemented to address control gaps.

- 4.9 It is proposed that the outcomes of this assurance activity are included in the 2020/21 IA annual plan and opinion in line with PSIAS requirements.

The Council's 2020/21 Internal Audit Annual Plan

- 4.10 The proposed 2020/21 IA annual plan was approved by the CLT in February 2020 and was scheduled for review and approval by the GRBV committee in March. This meeting was cancelled due to Covid-19, and the plan has not yet been approved by the committee.
- 4.11 Given the significant change in the Council's risk profile as a result of its response to, and ongoing management of the Covid-19 situation, it is recommended that the proposed 2020/21 IA plan is reviewed and refreshed to ensure that it includes appropriate and proportionate assurance provision covering these new Covid-19 risks, and emerging adaptation and recovery programme risks.
- 4.12 It is also recommended that the remaining 13 Council audits (30% of the 2019/20 annual plan) will be carried forward into the 2020/21 annual plan. Of these audits, 8 were being delivered by our co source provider, and IA is currently planning to recommence these audits in September 2020 with co-source support. Planning work has been completed for the remaining 5 audits to be carried forward, and these will be delivered by the in-house IA team.
- 4.13 This will also have an impact on the proposed 2020/21 annual plan, as the plan will now need to be adjusted to reflect current IA in-house team capacity. This will be reviewed over the Summer period and recommendations for the 2020/21 annual plan brought back to GRBV for approval later in the year.

Open and Overdue Internal Audit Findings

- 4.14 It is also recommended that a four month extension is applied to current completion dates for all open and overdue Internal Audit findings, enabling management to focus on resilience activities and the return to business as usual. Meantime, management is encouraged to work with IA (where possible) towards closure of open and overdue findings. This position will be reviewed again at the end of July.

5. Next Steps

- 5.1 The position will continue to be closely monitored, with any further adjustments required to IA plan delivery and the potential impact on the Council's annual opinion discussed and agreed with the Chief Executive and Convenor of the GRBV Committee.

6. Financial impact

- 6.1 The financial impact associated with these proposals is currently being reviewed by management. This will be reported back to CLT and Committee as required and once the full impact has been considered.

7. Stakeholder/Community Impact

- 7.1 Reduced requirement to support delivery of audits on both first and second line teams, enabling them to focus on short to medium term resilience activities.
- 7.2 Reduction in Internal Audit assurance for the Council in 2019/20.

8. Background reading/external references

- 8.1 None

9. Appendices

- 9.1 Appendix 1 – Internal Audit: Proposed Adjustments to 2019/20 Annual Plan
- 9.2 Appendix 2 – Support required to finalise IA reports for the 2019/20 annual opinion
- 9.3 Appendix 3 – Proposed IA assurance focus on new and amended Covid-19 processes

Appendix 1 - Internal Audit: Proposed Adjustments to 2019/20 Annual Plan

Audit Review			
Completed		Report Rating	Presented to Committee
1.	Transfer of the Management of Development Funding Grant	Effective	December 2019
2.	Building Standards Follow-up b/f 2018/19	Effective	March 2020
3.	CGI Sub Contract Management	Some Improvement Required	March 2020
4.	Drivers – Findings Only Report	Sig. Improvement Required	March 2020
5.	Preparation of the Strategic Housing Investment Plan	Effective	March 2020
6.	Looked After and Accommodated Children (St Katherine's) b/f 2018/19	Some Improvement Required	March 2020
7.	Revenue Budget Setting and Management	Some Improvement Required	March 2020
8.	Port Facilities Security Plan	Effective	May 2020
9.	Schools Admissions, Appeals, and Capacity Planning	Sig. Improvement Required	May 2020
Draft Reports Issued to Management		Action	
10.	CGI Partnership Management and Governance	Finalise to support annual opinion.	
11.	Policy Management Framework		
12.	Health and Social Care Localities		
13.	Project Management – Governance of First Line Projects outwith the Major Projects Portfolio		
14.	Protection of Vulnerable Groups and Disclosures		
Draft Reports Being Prepared		Action	
15.	Model and Intelligent Automation Risk	Finalise to support annual opinion.	
16.	(PwC) - Implementation of Assurance Actions and Linkage to Annual Governance Statement		
17.	(PwC) Unsupported Technology (Shadow IT)		
18.	Scott Moncrieff - Risk Management		
19.	Validation		
20.	Health and Safety - Lone working		
21.	(PwC) Brexit Impacts – Supply Chain Management		
Fieldwork		Action	
22.	Edinburgh Tram Extension	Ongoing agile project reviews	
23.	Enterprise Resource Planning System Implementation		
24.	Health and Safety – Tree Management	Finalise to support annual opinion	

Appendix 1 - Internal Audit: Proposed Adjustments to 2019/20 Annual Plan

Audit Review		
25.	Social Media	Finalise to support annual opinion
26.	Payroll b/f 2018/19	Finalise to support annual opinion
27.	City Deal	Finalise to support annual opinion
28.	Health and Safety – Life Safety	Finalise to support annual opinion
29.	PwC - Digital Services - Change Management - c/f 2018/19	Finalise to support annual opinion
30.	PwC - Digital Services – Incident and Problem Management	Finalise to support annual opinion
31.	PwC - Digital Services – Resilience	Delay and carry forward into 20/21 plan
32.	PwC - Digital Services - Mobile Device Management	Delay and carry forward into 20/21 plan
33.	Health and Safety – Managing Violent and Aggressive Behaviour across Communities and Families	Delay and carry forward into 20/21 plan
Planning		Expected Completion
34.	Repairs and Maintenance	Delay and carry forward into 20/21 plan
35.	Customer Experience	Delay and carry forward into 20/21 plan
36.	PwC - Criminal Justice Social Work	Delay and carry forward into 20/21 plan
37.	PwC - Internal Council Companies	Delay and carry forward into 20/21 plan
38.	PwC - Performance Management Information	Delay and carry forward into 20/21 plan
39.	Prevention Services	Delay and carry forward into 20/21 plan
40.	PwC - Enhanced / Intensive Housing Benefit	Delay and carry forward into 20/21 plan
41.	Care Homes Follow Up	Delay and carry forward into 20/21 plan
42.	PwC - Parking and Traffic Regulation	Delay and carry forward into 20/21 plan
43.	PwC - Registration and Bereavement Services	Delay and carry forward into 20/21 plan

Appendix 2 - Support required from directorates and divisions to finalise Internal Audit reports by end of June for provision of the annual Internal Audit opinion to GRBV in August 2020 - as at 29 May 2020

Report Name	Status	Further action required
CGI partnership Management and Governance	Management responses received from Digital Services	IA – final workshop to be arranged in June and report shared with Head of Customer and Digital Services and Executive Director of Resources for feedback and comment prior to finalising.
Policy Management Framework	<ul style="list-style-type: none"> Responses and implementation dates agreed with Strategy and Communications. Draft report shared with Directors 2 March 2020 with request for responses by 13 March 2020. IA has not chased responses from Directors 	<ul style="list-style-type: none"> Strategy and Comms implementation dates to be revisited to confirm whether these remain achievable. IA sent email 27/5 for confirmation by 3/6 for any revised dates. Responses required from Directors (including HSCP) – email will be sent by IA once S&C dates confirmed (as Directorate dates depend on completion of S&C actions). Discussion required at CLT to agree and finalise the report
Health and Social Care Localities	<ul style="list-style-type: none"> Draft report issued to HSC (Tom Cowan) 22 April with agreed management actions and implementation dates 	<ul style="list-style-type: none"> Implementation dates to be revisited. IA sent email 28/5 for confirmation by 3/6 for any revised dates. Report to be approved by the Chief Officer HSCP
Project Management – Governance of First Line Projects outwith the Major Projects Portfolio	<ul style="list-style-type: none"> Issued to Directors 16 March for review in advance of discussion at CLT Was scheduled for discussion at CLT on 25 March to agree Directorate management actions and implementation dates, but meeting cancelled due to Covid-19 	<ul style="list-style-type: none"> Management actions required from each Director (excluding HSC as not included in scope). IA updating management actions for sharing with Directors for approval. Final review and approval of report by CLT.
Major Projects - Meadowbank	<ul style="list-style-type: none"> Report currently being drafted by IA 	<ul style="list-style-type: none"> Draft report to be issued to key contacts Workshop required to agree management actions and implementation dates. Email sent to arrange for w/c 15 June. Final approval required from Head of Finance; Head of Place Management; Executive Director of Resources and Executive Director of Place.

Appendix 2 - Support required from directorates and divisions to finalise Internal Audit reports by end of June for provision of the annual Internal Audit opinion to GRBV in August 2020 - as at 29 May 2020

Report Name	Status	Further action required
Protection of Vulnerable Groups and Disclosures	<ul style="list-style-type: none"> Management actions and implementation dates agreed with Communities and Families Management actions and implementation dates requested from P&FM and HR by 17 March. IA has not chased for responses. 	<ul style="list-style-type: none"> C&F implementation dates to be revisited to confirm whether these are realistic and achievable. IA sent email 27/5 for confirmation by 3/6 for any revised dates. Final review and approval by Director of Communities and Families and Executive Director of Resources. Following receipt of responses. Report has been shared with Executive Director of Resources 28/5 for feedback.
Model and Intelligent Automation Risk	<ul style="list-style-type: none"> Draft report issued to service managers and workshops scheduled. 	<ul style="list-style-type: none"> Draft report issued 29 May to Finance and Customer teams. Workshops scheduled for 1 June by IA to confirm factual accuracy of findings and agree management actions. Final approval required from Head of Finance; Head of Customer and Digital Services; and Executive Director of Resources.
Implementation of assurance actions and annual governance statements	<ul style="list-style-type: none"> IA finalising draft report to share with Directors 	<ul style="list-style-type: none"> IA to agree HSCP contribution with partnership management (Moira Pringle) Draft report to be shared with Directors (first week in June) Discussion at CLT required to agree thematic Directorate management actions and implementation timeframes.
Unsupported Technology (Shadow IT)	<ul style="list-style-type: none"> Draft report has been prepared and shared with Digital Services who has provided feedback and comments. 	<ul style="list-style-type: none"> Digital Service feedback has been received. . Draft report to be shared with Procurement with discussion scheduled to agree management actions and implementation dates Draft report to be reviewed and finalised by CLT
Risk Management	<ul style="list-style-type: none"> Draft report received from Scott Moncrieff and reviewed by Head of Legal and Risk. 	<ul style="list-style-type: none"> Management responses to be prepared by Directors and Head of Legal and Risk

Appendix 2 - Support required from directorates and divisions to finalise Internal Audit reports by end of June for provision of the annual Internal Audit opinion to GRBV in August 2020 - as at 29 May 2020

Report Name	Status	Further action required
	<ul style="list-style-type: none"> Meeting scheduled with SM 28 April to provide feedback on draft report 	<ul style="list-style-type: none"> Review and approval of final report by CLT
Validation	<ul style="list-style-type: none"> Workshops held with key stakeholders in March (Customer / Resources; C&F; HSC) to agree findings and agreed management actions Draft report has been prepared by IA 	<ul style="list-style-type: none"> Draft report to be issued by IA to key stakeholders (decision taken not to issue in March / April) - Customer / Resources; C&F; HSC Agreed implementation dates to be reviewed to confirm whether realistic and achievable. Report to be reviewed and finalised by the Head of Customer and Digital Services; Executive Director of Resources; Head of Schools and Lifelong Learning; Chief Social Work Officer; Director of Communities and Families; Chief Finance Officer, EIJB and the Chief Officer HSCP.
Health and Safety – Lone Working	<ul style="list-style-type: none"> Draft report currently being prepared by IA 	<ul style="list-style-type: none"> Draft report to be issued to the HSCP no later than w/c 8 June Workshop to be arranged to confirm accuracy of findings and agree management actions and implementation dates. Email sent to arrange workshop w/c 15 June. Report to be approved by the Chief Officer HSCP
Brexit Impacts – supply chain management	<ul style="list-style-type: none"> Draft report currently being prepared by IA 	<ul style="list-style-type: none"> Draft report to be shared with Procurement and Resilience (early June) Workshop to be arranged to confirm accuracy of findings, and agree management actions and implementation dates (mid June) Report to be approved by the Head of Finance and Executive Director of Resources.
Health and Safety – Tree Management	<ul style="list-style-type: none"> Draft report currently being prepared by IA 	<ul style="list-style-type: none"> Draft report to be shared with key contacts no later than 8 June.

Appendix 2 - Support required from directorates and divisions to finalise Internal Audit reports by end of June for provision of the annual Internal Audit opinion to GRBV in August 2020 - as at 29 May 2020

Report Name	Status	Further action required
		<ul style="list-style-type: none"> Workshop arranged to confirm accuracy of findings and agree management actions and implementation dates – IA has sent email to arrange for 17 June. Report to be approved by the Head of Place Management and the Director of Place
Social Media	<ul style="list-style-type: none"> Draft report currently being prepared by IA 	<ul style="list-style-type: none"> Draft report to be shared with the Media Manager (mid June) Workshop to be arranged to confirm accuracy of findings, and agree management actions and implementation dates (mid June) Report to be approved by the Media Manager and Head of Strategy and Communications.
Payroll b/f 2018/19	<ul style="list-style-type: none"> Awaiting responses in relation to (non material) payroll anomalies from HR. 	<ul style="list-style-type: none"> Draft report to be prepared Draft report to be shared with the Head of HR (early May) Workshop to be arranged to confirm accuracy of findings, and agree management actions and implementation dates (mid May) Report to be approved by the Head of HR and Executive Director of Resources
City Deal	<ul style="list-style-type: none"> Findings discussed and agreed with Finance Draft report shared and workshop held with the City Region Deal Programme Manager and Finance (early May) 	<ul style="list-style-type: none"> Updated draft shared 27/5 management responses due by 3/6 Report to be approved by the Head of Strategy and Communication; Head of Finance; and Executive Director of Resources
Health and Safety – Life Safety	<ul style="list-style-type: none"> Draft findings have been prepared and shared with the Head of Corporate Health and Safety and Head of Legal and Risk Draft report currently being prepared. 	<ul style="list-style-type: none"> Draft report to be shared with Property and FM; Edinburgh Scientific Services; Housing Property and Corporate Health and Safety first week in June. Workshops to be held with Property and FM; Edinburgh Scientific Services; Housing Property and Corporate Health and Safety to

Appendix 2 - Support required from directorates and divisions to finalise Internal Audit reports by end of June for provision of the annual Internal Audit opinion to GRBV in August 2020 - as at 29 May 2020

Report Name	Status	Further action required
		<p>discuss and agree findings; management actions and implementation dates</p> <ul style="list-style-type: none"> • Report to be approved by Head of Place Development; Head of Property and FM; and Head of Legal and Risk • Report to be shared with CLT for review and approval.
Digital Services – Change Management	<ul style="list-style-type: none"> • Draft report shared with both Digital Services and CGI. • Workshops held and management responses discussed 	<ul style="list-style-type: none"> • IA to update Final report with agreed management responses and share for final comment with Digital Services and CGI for final review. • Final report to be approved by Head of Customer and Digital Services and Executive Director of Resources
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 51</p> <p>Digital Services – Incident and Problem Management</p>	<ul style="list-style-type: none"> • Draft report shared with both Digital Services and CGI. • Workshops held and management responses discussed 	<ul style="list-style-type: none"> • IA to update Final report with agreed management responses and share for final comment with Digital Services and CGI for final review. • Final report to be approved by Head of Customer and Digital Services and Executive Director of Resources

Appendix 3 - Proposed IA assurance focus on new and amended Covid-19 processes

It is proposed that Internal Audit will review the following new and amended Covid-19 service delivery processes implemented by the Council, with key areas of focus agreed in consultation with the relevant Senior Responsible Officer.

1. Business grant application process – complete – IA supported management with process design
2. Self-employed grant application process
3. Shielding
4. Volunteering
5. Purchase and allocation of PPE
6. Supplier relief
7. Social distancing – prioritisation of increased space for walking and cycling
8. Allocation of estimated grades for Scottish Qualification Authority National 5; Higher; and Advanced Higher Grades
9. Provision of Covid-19 data and returns to the Scottish Government
10. Use of returning workers (including PVG certification)
11. Covid-19 employee testing
12. Health and Social Care command centre

The methodology adopted to support completion of these design reviews is as follows:

- understand the objective of the process.
- understand how the process operates.
- understand the risks associated with the process, and what level of risk management is prepared to accept in the current Covid-19 environment.
- perform a process walkthrough by sitting with a team member and observing them applying the process for one sample or client.
- determine whether any essential controls that are needed to ensure we achieve objectives and manage risk in line with expectations are missing, and also whether we have implemented more controls than may be required.
- where key controls are missing, define what these are and why they are required, and discuss and agree with the process owner.
- support management with implementation of the new controls.
- Prepare a short form report (one page where possible) detailing the work performed and actions taken.

Governance, Risk and Best Value Committee

10am, Tuesday, 9 June 2020

Draft Annual Governance Statement

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 That committee scrutinise the draft Annual Governance Statement prior to its signing and incorporation into the Council's unaudited financial statements that will be presented to Council for approval on 30 June 2020.
- 1.2 That committee authorise the Chief Executive to make any minor changes to the statement considered necessary prior to submission of the financial statements for audit.

Andrew Kerr

Chief Executive

Contact: Gavin King, Democracy, Governance and Resilience Senior Manager

E-mail: gavin.king@edinburgh.gov.uk | Tel: 0131 529 4239

Draft Annual Governance Statement

2. Executive Summary

- 2.1 This draft Annual Governance Statement is presented to committee for scrutiny before it is finalised and signed by the Chief Executive and Leader of the Council.

3. Background

- 3.1 Statutory regulations govern the preparation and submission of the Council's financial statements for audit.
- 3.2 The Annual Governance Statement is signed by the Chief Executive and Leader of the Council prior to the financial statements being signed and presented for approval to Council and then submitted for audit by the Head of Finance, the Council's Section 95 officer.

4. Main report

- 4.1 The Council's Annual Governance Statement (AGS) is prepared in accordance with the CIPFA/SOLACE 'Delivering Good Governance in Local Government' Framework (2016), which fulfils legislative statutory requirements.
- 4.2 The Council's Annual Assurance (AA) exercise, that covers directorates, significant council companies and joint boards, informs the content of the AGS, along with input from the Chief Internal Auditor and the Corporate Governance Framework (CGF) 2018/19 self-assessment.
- 4.3 Individual directorate AA returns will be presented to committee for scrutiny in the autumn and the Council's Corporate Governance Framework 2019/20 self-assessment, which completes the annual review cycle of the Council's internal control framework, will be presented to committee in August.

5. Next Steps

- 5.1 The Annual Governance Statement will be signed by the Chief Executive and Leader of the Council and incorporated into the financial statements for approval at the meeting of Council on 30 June 2020.

6. Financial impact

- 6.1 This report has no financial impact.

7. Stakeholder/Community Impact

- 7.1 This report has no stakeholder/community impact.

8. Background reading/external references

- 8.1 [Governance, Risk and Best Value Committee Report - Corporate Governance Framework Self-assessment 2018/19](#)

9. Appendices

- 9.1 Draft Annual Governance Statement 2019/20



City of Edinburgh Council
Annual Governance Statement
2019/20

Unaudited Financial Statements 2019/20

ANNUAL GOVERNANCE STATEMENT

Introduction

- 1.1 The Covid-19 emergency has meant that the Council has had to make significant changes to its governance arrangements. This governance statement provides assurance over the governance arrangements that have been in place for the majority of 2019/20 and it also identifies the changes that have been implemented in response to the emergency. The Council's arrangements are under significant pressure but it is felt that they are still robust and sufficient for the current circumstances.

Scope of Responsibility

- 1.2 The City of Edinburgh Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, effectively and ethically. The Council also has a statutory duty under the Local Government in Scotland Act 2003, to make arrangements to secure best value, which is defined as continuous improvement in the way its functions are carried out.
- 1.3 In discharging these responsibilities, Elected Members and senior officers are responsible for implementing effective arrangements for governing the Council's affairs, and facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.4 This statement also covers the organisations included in the Council's Group Accounts, a list of which is included on page xx of the Accounts.

Council's Strategy and Vision

- 1.5 The Council's strategy can be divided into four sections:
- 1.5.1 The Vision – In 2016, the City of Edinburgh began a conversation about its future to create a vision for 2050. A major public engagement and awareness raising campaign was launched in 2018. The Steering Group for the city vision has been established and is developing the 2050 Edinburgh City Vision with a view to launching it in 2020. The launch of the City Vision has been delayed due to the Covid-19 emergency but is expected to be a key element of the city's collective recovery to the COVID-19 with partners using the principles in 2050

City Vision to guide their recovery planning. The Council endorsed this approach at its Policy and Sustainability Committee on 28 May.

- 1.5.2 The Business Plan - In 2017, the Council's agreed the Business Plan which is built around 52 commitments that the administration has pledged to deliver over five years. The plan sets out what the Council aims to do and how it intends to do it. The plan will inform the decision making on how to use resources. The principles and actions set out will drive the way the Council reshapes and redesigns the way it delivers services and the way it works with communities and partners.
- 1.5.3 The Change Strategy - The Change Strategy seeks to set out how the council will achieve its objectives but also how it will address the significant financial challenges it faces. The Change Strategy was produced and agreed following extensive consultation and engagement with the public and staff.
- 1.5.4 Underpinning these documents are a series of strategic plans providing detail on the Council's priorities such as poverty and sustainability. These will be incorporated into the Council's recovery planning going forward.

Decision making structures

Political Governance Arrangements

- 1.6 The Council operates an executive committee structure (see figure 1.1). This consists of six executive committees which are responsible for policy and financial decision making and scrutiny in their designated areas of responsibility. These committees are Policy and Sustainability, Culture and Communities, Education, Children and Families, Finance and Resources, Housing, Homelessness and Fair Work, and Transport and Environment.
- 1.7 The Governance, Risk and Best Value Committee seeks assurance over the adequacy of governance and risk management frameworks and the internal control environment. It also scrutinises the Council's financial and non-financial performance, approves and monitors progress against the internal audit risk-based plan, and monitors performance of the internal audit service.
- 1.8 The Council also utilises a range of other committees, some of which are quasi-judicial such as the Development Management Sub-Committee and the Licensing Sub-Committee, to consider individual applications.

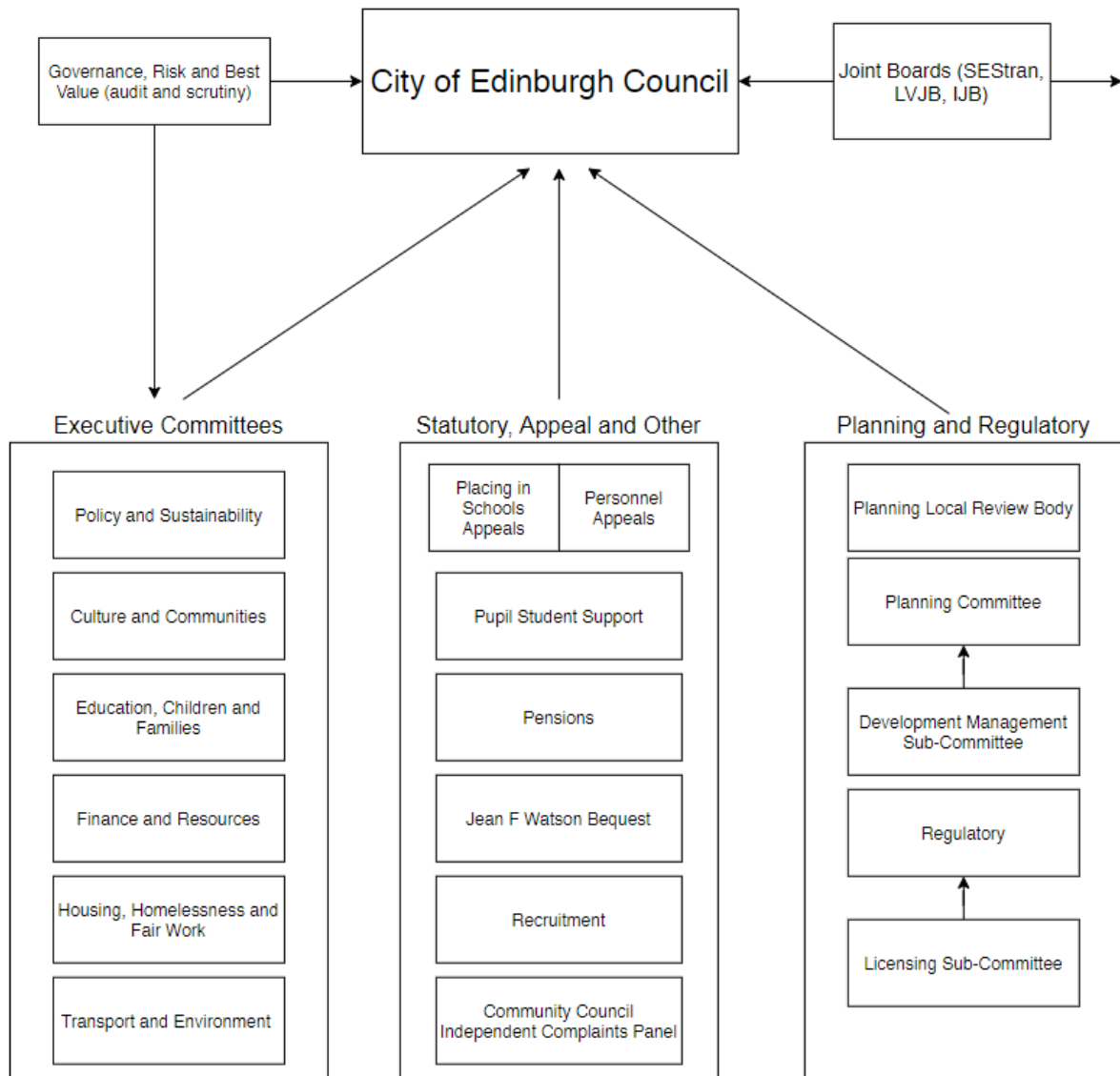


Figure 1.1 Executive Committee Structure

Officer Decision Making

- 1.9 The Corporate Leadership Team (CLT) meets weekly, led by the Chief Executive and includes all executive directors and key heads of service including the Head of Finance as the Council's Statutory Section 95 Officer.
- 1.10 It is supported by a range of groups covering key matters such as risk, health and safety and programme management. There is a robust health and safety reporting structure which includes directorate health and safety committees, a quarterly Council health and safety group and a quarterly consultation forum involving the trade unions. Health and safety working groups are in place for fire safety, water safety and asbestos. All directorates have risk and assurance committee meetings at least quarterly and ensure escalation of risks.

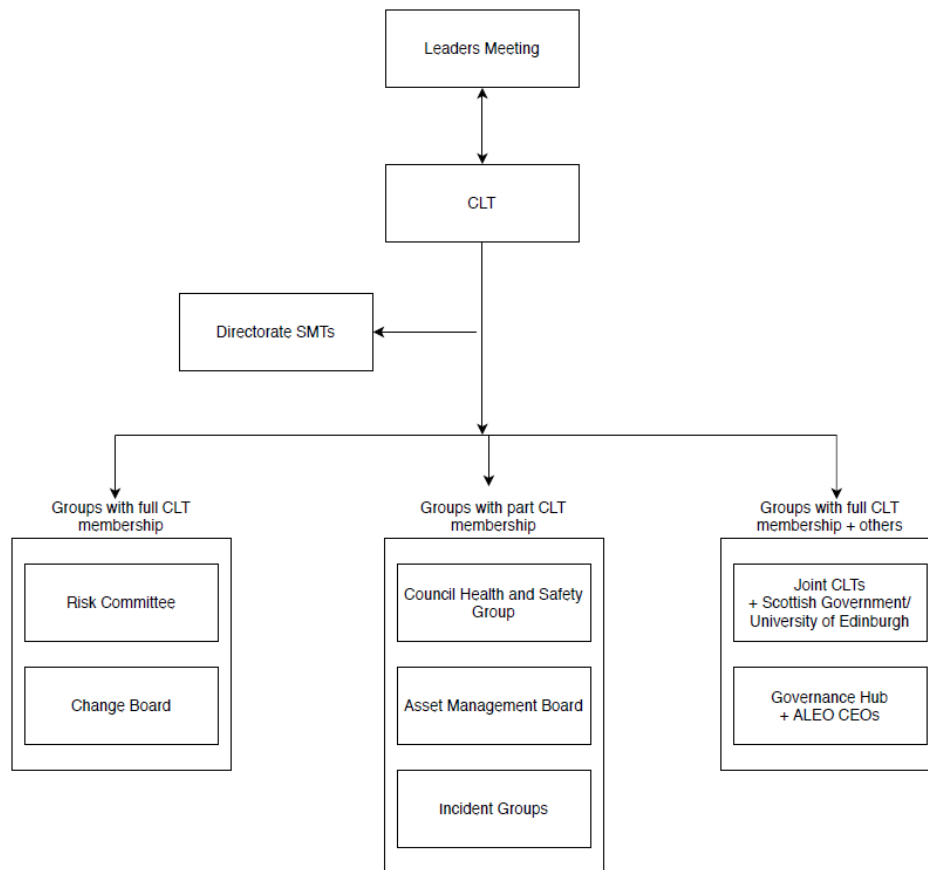
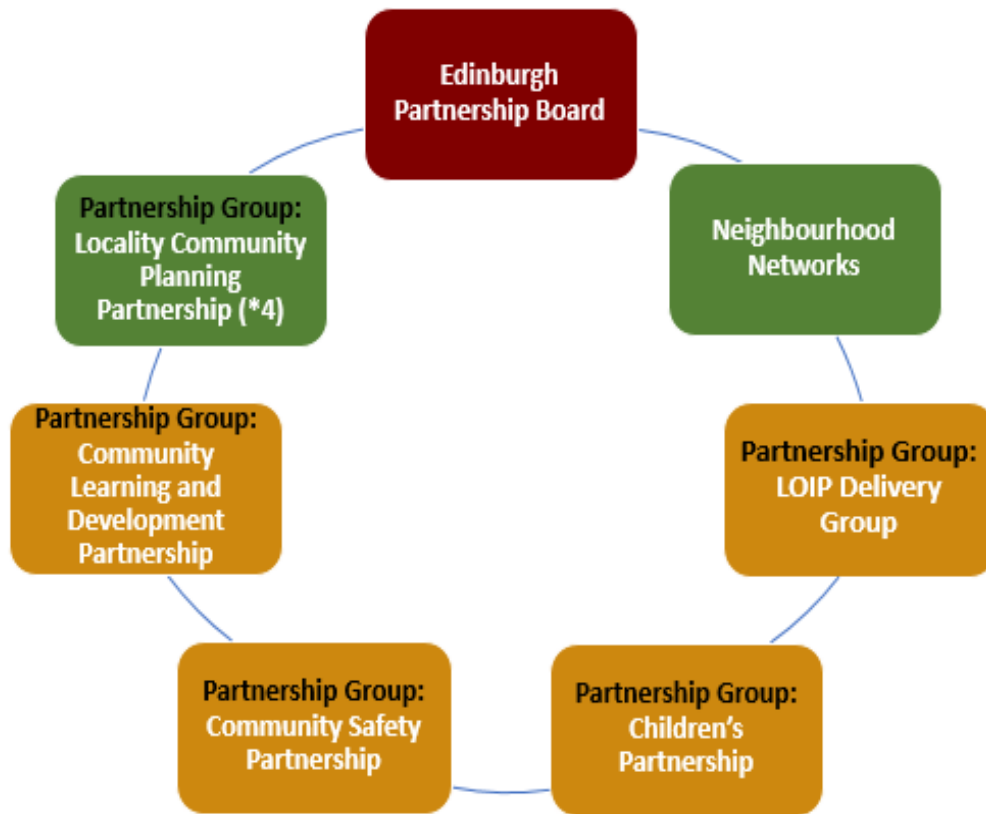


Figure 1.2 - CLT and Senior Management Team (SMTs) Structure

Partnership Working

- 1.11 The Council has four localities and is using this model to restructure and deliver a range of frontline services. This will ensure integrated local services and improved outcomes for citizens. This locality model operates in co-terminosity with our partners (such as police and fire services) enabling closer working and integration of services around our citizens. Local Improvement Plans cover every area of the city and describe in detail our multi-agency approach to improve the delivery of services in our communities.
- 1.12 The Council plays an important role in the Edinburgh Partnership, the Community Planning Partnership in Edinburgh, and its new community planning structure. The new framework agreed by the Edinburgh Partnership comprises a Board, four city wide partnerships, four locality partnerships and thirteen neighbourhood networks. The new arrangements are designed to support a different way of working and to support the delivery of the Partnership's priorities for the city as set out in the new community plan. The plan focuses on reducing poverty and inequality in the city through making sure people have enough money to live on; access to work, learning and training opportunities; and have a good place to live.



Internal Controls

- 1.13 A significant part of the governance framework is the system of internal controls in place to ensure that risks are being identified and managed effectively. The Council has adopted a Corporate Governance Framework (CGF) as its local code. The CGF is based on the Chartered Institute of Public Finance & Accountancy and Society of Local Authority Chief Executives model framework Delivering Good Governance in Local Government. The CGF outlines how the Council embeds good governance throughout the organisation and is available on the Council's website.

Covid- 19 Arrangements

- 1.14 The Council implemented changes both to its operational and political management arrangements to support the response to the Covid-19 emergency.
- 1.15 The groups below were all established to respond to the Covid-19 incident:
- 1.15.1 Council Incident Management Team (CIMT) chaired by the Chief Executive with daily meetings from 13 March 2020
 - 1.15.2 Directorate Incident Management Teams with escalation to CIMT

- 1.15.3 Specialist Incident Management Teams:
 - 1.15.3.1 Health and Social Care Command, chaired by Edinburgh Health and Social Care Partnership's Head of Operations
 - 1.15.3.2 Personal Protective Equipment operational group, chaired by the Chief Procurement Officer
 - 1.15.3.3 Shielding, chaired by the Executive Director of Resources
 - 1.15.3.4 Vulnerable and Volunteering, chaired by the Executive Director of Communities and Families
- 1.15.4 Cross-Council Risk Forum, convened and chaired by the Head of Legal and Risk / Council's Monitoring Officer.
- 1.15.5 Weekly meetings with the Trade Unions chaired by the Head of Human Resources.
- 1.16 The CIMT and directorate IMTs have provided a clear, easy to understand and effective governance structure for organising services during the emergency. Action notes have been kept for all meetings and executive directors have reported to the CIMT any issues for escalation. During March and April, the CIMT and directorate IMTs mostly met daily due to the pace of change and direction coming from Government. These meetings have reduced in frequency in recent weeks as the response to the emergency has stabilised but are all still in operation and operational business is still directed through these meetings.
- 1.17 Covid-19 has had, and continues to provide, a very challenging environment for the Council and has resulted in decisions being made at pace but never without efficient and effective governance at the core.
- 1.18 The three principles that were set out at the beginning of the response have been the framework for every decision taken:
 - 1.18.1 protect the most vulnerable in our city;
 - 1.18.2 minimise the risks to our colleagues; and
 - 1.18.3 continue to provide services in challenging circumstances.
- 1.19 The Chief Executive established measures to ensure that decision making was as transparent as possible and that decisions were taken only by officers where absolutely necessary. The following principles were applied:
 - 1.19.1 The Chief Executive would be the only officer to take decisions in response to the Covid-19 emergency using powers outlined in the Scheme of Delegation to Officers;
 - 1.19.2 The Chief Executive would consult on all these decisions with the Leader and Depute Leader;

- 1.19.3 Decisions would be considered and discussed at the Council's Incident Management Team;
- 1.19.4 If possible, executive directors would discuss matters at their directorate incident management teams before escalating to the CIMT;
- 1.19.5 Decisions would only be taken by the Chief Executive where urgent and they could not be considered in good time by the Leadership Advisory Panel; and
- 1.19.6 Decisions would be reported to the Leadership Advisory Panel for information.
- 1.19.7 When making decisions the potential risk and impact of those decisions, whether existing controls are effective and what new measures or controls may be required should be considered. This process should be as efficient and streamlined as possible.
- 1.20 To date the Council has implemented two phases of political governance arrangements in response to Covid-19 emergency. The first phase, agreed by the Chief Executive under emergency powers, was to extend the recess period of the City of Edinburgh Council from Friday 20 March 2020 to Sunday 29 March 2020 inclusive and from Monday 20 April 2020 to Sunday 26 April 2020 inclusive. The Leadership Advisory Panel was an existing committee that had the authority to take all decisions during recess periods. This was stood up and met twice during this period.
- 1.21 The second phase followed a report considered by the Leadership Advisory Panel on 23 April 2020 and agreed that the Policy and Sustainability Committee would meet every two weeks from May and would have the authority to make decisions on all matters of business. This committee has a larger number of elected members, includes a number of the executive committee conveners and is chaired by the Council Leader. All business, with the exception of quasi-judicial matters, should be submitted to this committee. The Development Sub-Committee and the Local Review Bodies would also meet from May when required and the Governance, Risk and Best Value Committee would meet again from 9 June 2020. This has re-established independent committee scrutiny and allowed audit activity to re-commence.
- 1.22 It was agreed that the Policy and Sustainability Committee would review political governance arrangements again in August 2020.
- 1.23 Risk management processes were put in place to ensure that the risks associated with Covid-19 were identified, recorded, and mitigated where possible. Nine strategic risks were identified and recorded in the Covid-19 Risk Management Plan (RMP) and continue to be actively managed:
 - 1.23.1 health and safety of citizens and service users;
 - 1.23.2 health and safety of employees delivering critical services;

- 1.23.3 Council premises and physical security;
- 1.23.4 supply chain risk;
- 1.23.5 technology and information;
- 1.23.6 financial and economic risk;
- 1.23.7 Council response and governance;
- 1.23.8 fraud and serious organised crime; and
- 1.23.9 legal and commercial risk.

Review of Effectiveness

- 1.24 An assurance statement on the effectiveness of the system of internal controls has been provided and was informed by:
 - 1.24.1 the work of the Corporate Leadership Team which develops and maintains the governance environment;
 - 1.24.2 the certified annual assurance statements provided by all executive directors;
 - 1.24.3 the certified assurance statements provided by the Chief Executives and Directors of Finance of the Council's group companies.
 - 1.24.4 council officers' management activities;
 - 1.24.5 the Chief Internal Auditor's annual report and internal audit reports, risk-based, across a range of Council services;
 - 1.24.6 reports from the Council's external auditor; and
 - 1.24.7 reports by external, statutory inspection agencies.
- 1.25 Each Executive Director has reviewed the arrangements in their service area and reported on their assessment of the effectiveness of control arrangements, together with any potential areas requiring improvement, to the Chief Executive. Where improvement actions are identified, an action plan will be developed and will be subject to regular monitoring. In reviewing the overall governance framework, the Council has also considered relevant third-party reviews and recommendations. Assurance has also been taken from each organisation's most recent audited accounts, together with the Council's detailed knowledge of these organisations as a consequence of their continued involvement. These reviews have not identified any fundamental weaknesses in the framework of governance, risk management and control at the Council.
- 1.26 The Internal Audit section operates in accordance with CIPFA's Code of Practice for Internal Audit and the Public Sector Internal Audit Standards. The section undertakes an annual work programme based on an agreed audit

strategy and formal assessments of risk that are reviewed regularly. During the year, the Chief Internal Auditor reported to the Head of Legal and Risk (who is also the Monitoring Officer) but had free access to the Chief Executive, all executive directors and elected members along with direct reporting to the Governance, Risk and Best Value Committee.

- 1.27 In compliance with standard accounting practice, the Head of Finance as the Council's Statutory Section 95 Officer has provided the Chief Executive with a statement of the effectiveness of the Group's internal financial control system for the year ended 31 March 2020. It is the opinion of the Head of Finance that although a degree of assurance can be placed upon the adequacy and effectiveness of the Group's systems of internal financial control, further improvements, including embedding of actions taken in response to previous recommendations, are still clearly required. In this context, the Head of Finance particularly highlights the continuing required improvements to address a number of systemic weaknesses in respect of payroll-related controls, particularly those to address historic, and prevent recurring, overpayments.
- 1.28 The Chief Internal Auditor will present her annual audit opinion on the adequacy and effectiveness of the system of internal control (including financial controls) to the Governance, Risk and Best Value Committee in August 2020. Due to COVID-related disruption and in-year delivery challenges, however, the opinion will necessarily be limited and based upon completion of 70% of the 2019/20 audit plan, subject to the receipt of requested support from Directorates.
- 1.29 The Council comprehensively reviewed its political management arrangements in May 2019, focussing on the levels of business at its main executive committees. Statistics showed a considerable strain on the Council's political management arrangements. The length of meetings showed a level of healthy democratic debate and as a result a level of scrutiny taking place at executive committees, however the volume of business was high and left little room and flexibility to scrutinise all committee business on an agenda. There was a risk of scrutiny being rushed for less high-profile areas of work because of these pressures. This pressure was not evident across all committees, but the structure was not sustainable, and the Council agreed to re-align its business so there was a more even spread across committees, with areas of business still grouped logically. The committee re-alignment also ensured that sustainability, one of the Council's key priorities, was considered by the newly re-titled Policy and Sustainability Committee chaired by the Council Leader. There was also a title change for the Housing and Economy Committee which was renamed Housing, Homelessness and Fair Work, again reflecting the Council's priorities.

- 1.30 External Audit had highlighted the importance of adhering to approved member-officer protocols in respect of sensitive information and the importance of all Councillors and senior staff having a clear understanding of their rights and responsibilities in relation to information held by the Council. A review of the Member/Officer protocol was commenced but the completion of the revised document was delayed by Covid-19. The review included member and officer groups and a facilitated joint meeting to build on the existing protocol before it will finally be considered by committee.
- 1.31 An Internal Audit review confirmed that management; oversight; and scrutiny of the Council's major projects portfolio is generally adequate with some enhancements required. The review recognised significant progress made in the last year with the implementation of a portfolio governance framework that reflects best practice in a number of areas, and facilitates standardised reporting across the major projects' portfolio, enabling ongoing oversight and scrutiny by both the Change Board and the Governance, Risk and Best Value Committee. Since the review the system has further bedded in and the number of projects monitored by the Change Board increased significantly. Concern has been raised over the project governance for those projects that are too small for the Change Board and the need for directorates to improve their monitoring and challenge in this area.
- 1.32 A major issue highlighted by both External and Internal Audit was the number of overdue findings from internal audit reports. The Corporate Leadership Team highlighted that resolving overdue findings was proving challenging due to their complexity. It was agreed that Directorates would review and refresh their agreed management actions for any findings that were more than three months overdue (including historic reopened findings) to assess whether alternative actions could be implemented to address the identified risks. This sustained effort significantly reduced the number of overdue findings and ensuring that management actions are completed on time is an agreed major priority for all directorates.
- 1.33 Meeting the demands of new data protection legislation has led to significant increases in the volume of data protection work. This has resulted in several resource and operational challenges which have had a detrimental effect on statutory obligations and associated timescales. This increase has also impinged on other areas of information rights, including compliance with Scotland's freedom of information laws. Remedial plans are in place to reduce risks in this area and to ensure that statutory obligations are met.
- 1.34 The Council's whistleblowing arrangements continue to include the oversight of an independent external service provider with the autonomy to decide who investigates the concerns raised, the Council or the service provider. The continuing involvement of an independent organisation helps ensure a robust, transparent and trustworthy process. The Council's approach is widely seen

as best practice and as such the Council was invited to give evidence to the Scottish Parliament when an NHS whistleblowing service was being considered. The Governance, Risk and Best Value Committee receives a quarterly update on whistleblowing and the whistleblowing policy is reviewed annually by committee.

- 1.35 The division of scrutiny of the Council's Arm's Length External Organisations (ALEOs) between executive committees and Governance, Risk and Best Value Committee is essential to ensure that potential conflicts of interest are mitigated. However, the separation of scrutiny between GRBV and executive committees has not always been clear, and duplication of scrutiny has been common. A committee report in 2020 sought to clarify matters for the Council's committees and for individual ALEOs. These arrangements were agreed and implemented but the Covid-19 emergency has meant that it has not been possible to demonstrate that this was maintained. The Council's compliance with the principles set out in the Following the Public Pound Code is much wider than just committee consideration, it applies to the Council's interactions with its ALEOs at all levels. The Chief Executive intends to review how the Council works with its ALEOs, examining the shareholder agreements and Service Level Agreements in place to ensure a greater degree of consistency and clarity of relationship.
- 1.36 Each directorate's assurance schedule was scrutinised by the Governance, Risk and Best Value Committee.
- 1.37 Internal Audit identified a number of significant control weaknesses in the design and application of the Council's policy management framework, across all Council directorates and divisions, that require to be addressed. Consequently, only limited assurance can be provided that policies are being effectively developed, managed, and communicated across the Council and are aligned with applicable legislation, regulations, and statutory requirements.
- 1.38 In light of expected Scottish government proposal to further embed Human Rights into the Scottish Legal Framework, consideration needs to be given now as to whether the current approach to IIAs is adequate and sufficiently embedded in Council working to be fit for purpose.
- 1.39 Directorate assurance schedules identified the need for a holistic, corporate tracking of actions and improvement actions associated with the assurance schedules, external audit and other regulatory bodies. Improvements are required to the administration of improvement actions and aligning this with the governance statement to provide adequate assurance that actions are being implemented and thus risks effectively managed.
- 1.40 There are established, well exercised, resilience incident management processes and protocols in place to effectively plan for and respond to

emergencies. The Council Resilience Group and Council Counter Terrorism Group are the two main groups that drive and monitor the Council Resilience Management Programme, reporting to the Council Leadership Team, with the flexibility to convene working groups as required, for example, for Brexit planning. In the event of an incident, there is a flexible framework including directorate and corporate levels, that can be stood up as required, reporting to the Council Leadership Team and the appropriate committee(s). The Council feeds in to Scotland's resilience structures on a multi-agency basis, through the Lothian and Borders Local Resilience Partnership and East of Scotland Regional Resilience Partnership. The incident management used for Covid-19 is a good example of the effectiveness and agility of these structures.

- 1.41 The Council maintains registration to the International Standard for Business Continuity, ISO22301 and, as part of that compliance, the Council's Resilience Management System is audited biannually by an external auditor.
- 1.42 There is a robust risk framework in place which identifies key risks and is effective at a corporate Council-wide level. However, there is a need to ensure that adequate resource is provided to ensure that the framework is effectively implemented at all levels of the Council and that all directorates are considering risk as part of their decision-making processes. It should be noted that health and social care risks remain separate from the Council process.
- 1.43 The Council has adapted how it works on some of its key priorities enabling it to work flexibly with its partners with a view to achieving its ambitious objectives. An example of this is the Poverty Commission where the Council has worked with a newly created independent body and chair and agreed that recommendations proposed by the Commission will be used to inform future Council policies and actions to prevent, reduce, and mitigate poverty in Edinburgh. A further example is the partnership with the University of Edinburgh to appoint a climate commission. The flexible governance approach in these two examples have allowed the Council to be informed by external experts from across a range of sectors with the aim of achieving better outcomes. However, the final decision making remains with the Council and partner organisations.
- 1.44 A Community Council review was carried out that improved the governance documentation supporting Community Councils. In addition, a new Code of Conduct was created for Community Councillors, with a Council committee created to consider the most serious cases.

The status of the previous year's actions is outlined below:

	Governance Issue	Mitigation Action / Proposed Action	Responsible Party	Status
Risk and Resilience				
1	Health and Social Care – Further work is required to implement an effective risk escalation framework.	The Health and Social Care Partnership aim to complete the risk escalation framework	Chief Officer	Completed
Workforce				
2	To ensure workforce resources are managed properly, including compliance with payroll policies, overtime controls, absence management and performance e.g. home/remote working.	Implementation of new HR/ system	Executive Director of Resources	Completed
Governance and Compliance				
3	Partial compliance (Place Directorate) - Council staff are aware of their responsibilities in relation to the Council's	A review of delegated authority within the Place directorate is being carried out to ensure that	Executive Director of Place	Completed

	governance framework and that the authority, responsibility and accountability levels within my directorate are clearly defined, with proper officer designation delegated, recorded, monitored, revoked and reviewed regularly to ensure ongoing compliance with the Scheme of Delegation.	appropriate governance and controls are in place.		
4	Ensure the Council's arrangements are fully compliant with relevant Scottish, UK and EU legislation and regulations.	Review of Political Management Arrangements	Chief Executive	Completed
5	Ensure the Council's arrangements are fully compliant with relevant Scottish, UK and EU legislation and regulations.	Review Annual Assurance process	Chief Executive	Completed
Change and Project Management				
6	Decisions are made on the basis of objective information, the consideration of best value, risk, stakeholder views, rigorous analysis, and consideration of future impacts. This is formalised through appropriate structures. (i.e SMT reporting)	A new balanced score card approach is to be implemented which looks to amalgamate all aspects of performance in a single format	Chief Executive	Completed

7	Projects are not always started with clear business cases or a formal project management approach adopted. Projects are started in relation to an issue or service change, but recognition not always given to other projects creating duplication. A Business Planning process is also being established.	A transformation and change team will provide project support capacity across the Partnership allowing for greater oversight and ensure projects have clear business justification and business cases.	Chief Officer	Completed
Financial Control				
8	An issue was identified by Internal Audit as part of a review of payments to contractors in Housing Property. Actions have been agreed with Internal Audit and are currently being implemented.	Review of developer contributions held in Finance database	Executive Director of Resources	Completed
9	An issue was identified by Internal Audit as part of a review of payments to contractors in Housing Property. Actions have been agreed with Internal Audit and are currently being implemented.	Review of historic developer contributions	Executive Director of Place	Completed
10	An issue was identified by Internal Audit as part of a review of payments to contractors in Housing Property. Actions have been agreed with Internal Audit and are currently being implemented.	Review of Developer contribution process documentation and guidance	Executive Director of Place	Completed

Following the review of effectiveness and the assurance statements from directorates and ALEOs, the following actions have been identified to improve the Council's governance arrangements:

Ref	Assurance Statement	Mitigation Action / Proposed Action	Action Owner	Action Deadline
1	Internal Control Environment requirements			
1.1	I have internal controls and procedures in place throughout my directorate that are proportionate, robust, monitored and operate effectively.	Development of Business Forums for Finance/Property/HR to provide a risk-based approach to business management	Executive Director for Communities and Families	October 2020
2	Risk and Resilience			
2.1	I have risk management arrangements in place to identify the key risks to my directorate (and the Council).	Roll out risk management framework across wider leadership teams and Partnership teams	Chief Officer	March 2021
		A decision whether to review and align the Directorate Risk Register with the specific risk registers which exist for Brexit, Cyber and Information Security and Change Programmes will be	Executive Director of Resources	September 2020

		undertaken during the next financial year.		
3	Workforce			
3.4	I have robust controls in place to manage new starts, movers and leavers, including induction and mandatory training, IT systems security (access and removal) and access to buildings and service users' homes.	The creation of the Edinburgh Learns Risk Board is to involve school colleagues in the management of relevant risks. It will act as a gatekeeper in terms of what is included in risk management and will provide isomorphic learning where the Service learns from within to manage the risks jointly, efficiently and effectively.	Executive Director for Communities and Families	October 2020
6	Policy			
6.2	I have arrangements in place for the annual review of policies owned by my directorate, via the relevant executive committee, to ensure these comply with the Council's policy framework.	All Edinburgh Health and Social Care Partnership (EHSCP) and Place policies on the Policy Register will be reviewed with the support of the Governance team. A review framework will be introduced to ensure that the register is updated and relevant changes are applied accordingly.	All	December 2020

		A review of the policy register will be carried out to ensure it is up to date and that the correct processes are easy to understand and implement	Chief Executive/All	October 2020
10	Health and Safety			
10.3	I have competencies, processes and controls in place to ensure that all service areas in my directorate, and other areas of responsibility, operate in compliance with all applicable Health & Safety laws and regulations.	Directorate to review SHE and the Essential Learning matrix and mechanism within the Service to be undertaken with Corporate Health and Safety to ensure that the portal is being used efficiently, effectively and necessary improvements are made.	Executive Director for Communities and Families	October 2020
		To ensure that the Health & Safety Team Professional Advisor roles are recruited to a sufficient level, with posts filled by individuals with appropriate competency and qualification	Executive Director of Resources	March 2021

		levels during the course of the next financial year.		
11	Performance			
11.2	I have appropriate arrangements in place throughout my service area for recording, monitoring and managing customer service complaints and customer satisfaction.	Development of a carbon scenario tool with ECCL as part of the sustainability programme	Chief Executive	December 2020
13	Change and Project Management			
13.1	All projects and programmes have a clear business justification, as a minimum this should articulate outcomes and benefits; have appropriate governance in place to support delivery; effective controls in place to track delivery progress and to take corrective action if required; have a robust benefits management framework in place; and ensure that a formal closure process is undertaken.	There will be a development of a new Roads and Transport Infrastructure Improvement Plan. This will require the realignment of roads and transport services to implement the plan. This will ensure clear accountability for all programmes and projects.	Executive Director of Place	September 2020

14	Financial Control			
14.1	The operation of financial controls in my directorate is effective in ensuring the valid authorisation of financial transactions and maintenance of accurate accounting records.	The Finance Service will work with the Schools and Lifelong Learning Service to review the issues with the forecasting spreadsheet used in schools. This review will address the causal effects and seek to mitigate them.	Executive Director for Communities and Families	October 2020
18	Progress			
18.1	All outstanding issues or recommendations arising from this exercise, commissioned reviews, committee reports and other initiatives in previous years have been addressed satisfactorily.	A consolidated decision tracker for ensuring the implementation of Best Value, Assurance and Annual Accounts recommendations is created.	Chief Executive	December 2020
18.1	All outstanding issues or recommendations arising from this exercise, commissioned reviews, committee reports and other initiatives in previous years have been addressed satisfactorily.	To ensure that a framework is in place for directorates to understand the requirements of the Annual Assurance Schedule and the Corporate Governance Framework	Chief Executive	December 2020



Conclusion

- 1.45 In conclusion, the Council's controls framework continues to evolve and improve. It is robust and a reasonable level of assurance can be taken. Improvements are needed in certain areas to ensure that the Council's and controls are implemented fully. Moreover, Covid-19 has put significant pressure on the Council's processes and controls and the Council will need to be vigilant to ensure that if the Council undergoes considerable transformation due to the emergency that it ensures that its governance controls remain effective.
- 1.46 We are satisfied that the actions highlighted in this Statement reflect the Council's commitment to continuous improvement and will further enhance our corporate governance and internal control arrangements.

Certification

- 1.47 It is our opinion that, in light of the foregoing, reasonable assurance can be placed upon the adequacy and effectiveness of City of Edinburgh Council and its Group's systems of governance. The annual review demonstrates sufficient evidence that the Code is operated effectively, and the Council and its Group comply with the Local Code of Corporate Governance in all significant respects.

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Governance, Risk and Best Value Committee

10am, Tuesday 9 June 2020

Whistleblowing annual report

Item number
Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 To note the report and approve the Convener referral recommendation in para 4.11 below.

Andrew Kerr

Chief Executive

Contact: Nick Smith, Council Monitoring Officer/Head of Legal and Risk

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Whistleblowing annual report

2. Executive Summary

- 2.1 This report covers the fifth full year of operation of the Council's whistleblowing service for the period 1 January – 31 December 2019.

3. Background

- 3.1 The Council's whistleblowing service, including telephone, email and online reporting; disclosure management; investigations and training continues to be provided by an independent company, currently Safecall Limited.
- 3.2 The Council's Whistleblowing policy (section 4.3.2) requires that annual summary reports on whistleblowing activity are presented to the Governance, Risk and Best Value Committee.

4. Main report

Disclosures

- 4.1 During the reporting period Safecall received 20 disclosures, a reduction on the 26 reported in the previous year. The total number of disclosures received in 2019 remains below the average for Safecall's client base of approximately 1 per 500 employees per annum.
- 4.2 As will be noted from the statistics, one of the disclosures received was categorised major/significant by Safecall, with another still to be determined.

Category	Number of disclosures
Major/significant disclosures	1
Minor/operational disclosures	17
Category still to be determined	1

Non-qualifying disclosures	1
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Investigations

- 4.3 Twenty investigations (relating to twenty-six disclosures) were completed during the reporting period with outcomes and management action reported quarterly to the Governance, Risk and Best Value Committee.
- 4.4 Fourteen investigations, relating to fifteen disclosures, are ongoing and will be reported to the Governance, Risk and Best Value Committee on completion.
- 4.5 One report did not quality as a disclosure under the Whistleblowing Policy but the Whistleblowing Team ensured that appropriate checks were carried out to establish the issue raised was not one of concern.
- 4.6 Recommendations that have resulted from investigations have led to amendments to policy, improvements to procedures and processes, the development of best practice and improved service delivery. Examples include: improved fire risk assessment procedures for care homes and review and improvements to ‘driving for the Council’ policy, monitoring and guidance.
- 4.7 Where the service provider has an open line of communication with the whistleblower, feedback on the outcome of an investigation has been provided. Where this has not been possible, information has been recorded for dissemination to the whistleblower should they make further contact.

Whistleblowing Services Contract

- 4.8 The contract for the independent service provider ended on 11 May 2020. A full re-procurement process was undertaken, with Safecall Limited being awarded the contract by the Chief Executive under delegated authority provisions.

Policy Review

- 4.9 Annual review of the Whistleblowing Policy was scheduled for the Policy and Sustainability Committee meeting on 2 June 2020. This will be rescheduled when Trade Union consultation has been possible.
- 4.10 A workshop to discuss contractual and operational arrangements was held on 23 October 2019, with Governance, Risk and Best Value committee members present, and number of improvements were proposed, including:

- 4.10.1 the introduction of final closure reports to Committee on all major investigations, outlining the actions taken to address the recommendations in reports;
 - 4.10.2 the introduction of additional process steps to clarify responsibilities and decision making;
 - 4.10.3 additional guidance for whistleblowers up front on the level of feedback that can be expected on the outcome of investigations; and
 - 4.10.4 amendments to the Whistleblowing policy to reflect the above.
- 4.11 Further to the workshop it is also recommended that the details of all major investigations shared with GRBV will also be referred to the Committee Convener responsible for the relevant service for their information and scrutiny.

5. Next Steps

- 5.1 Operational arrangements will be reviewed as part of the implementation of the new service provider contract.
- 5.2 The policy will be amended to reflect the improvements outlined at 4.10 and presented to the Policy and Sustainability Committee for approval in due course..

6. Financial impact

- 6.1 The cost of the whistleblowing service for the year 1 January to 31 December 2019 was £18,900 (exclusive of VAT).
- 6.2 Investigation costs for the same period totalled £4,614.60 (exclusive of VAT).

7. Stakeholder/Community Impact

- 7.1 The whistleblowing policy was developed and agreed in order to complement management reporting arrangements and to ensure all matters at the Council are fully transparent and officers are accountable.
- 7.2 The aim of the policy and the appointment of an independent service provider is to empower employees to report suspected wrongdoing as early as possible in the knowledge that their concerns will be taken seriously and investigated appropriately; that they will be protected from victimisation and other forms of detriment; and that their confidentiality will be maintained.
- 7.3 The whistleblowing policy, and subsequent reviews, have been consulted on with the trades unions to secure a local agreement.

8. Background reading/external references

- 8.1 [Finance and Resources Committee 23 May 2019: item 7.20 Whistleblowing Policy](#)

9. Appendices

- 9.1 Safecall Annual Management Information Report 2019

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Governance, Risk and Best Value Committee

10am, Tuesday 9 June 2020

Whistleblowing update

Item number
Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 To note whistleblowing activity for two quarters 1 October – 31 December 2019 and 1 January – 31 March 2020, due to the cancellation of Governance, Risk and Best Value Committee on 24 March 2020.

Andrew Kerr

Chief Executive

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Whistleblowing update

2. Executive Summary

- 2.1 This report provides a high-level overview of the operation of the Council's whistleblowing service for the quarters 1 October – 31 December 2019 and 1 January – 31 March 2020.

3. Background

- 3.1 The Council's whistleblowing service (including a confidential reporting line) is contracted to an independent external organisation, currently Safecall Limited.
- 3.2 The Council's Whistleblowing policy (section 4.3.2) requires that quarterly summary reports on whistleblowing activity are presented to the Governance, Risk and Best Value Committee.

4. Main report

4.1 Disclosures

During this six-month reporting period Safecall received eleven new disclosures as follows:

Category	Number of disclosures
Major/significant disclosures	2
Minor/operational disclosures	5
Category still to be determined	3
Non-qualifying disclosures	1

- 4.2 The current contract with Safecall Limited for the provision of whistleblowing services ends on 11 May 2020. The six-month re-procurement process concluded with Safecall Limited being awarded the contract for a further three years, with an

option for the Council to extend for an additional two twelve-month periods. Contract award was approved by the Chief Executive under delegated authority on 6 February 2020.

- 4.3 Operational arrangements and reporting requirements with Safecall will be reviewed as part of the start of the new contract on 12 May 2020.
- 4.4 The Whistleblowing Policy has been reviewed in line with the improvements identified at the workshop held on 23 October 2019 and, following Trade Union consultation, will be presented for approval to the Policy and Sustainability Committee in due course.

5. Next Steps

- 5.1 Review activity outlined at 4.3 will be progressed as part of contract commencement.
- 5.2 Trade Union consultation at 4.4 will take place as soon as working arrangements allow.

6. Financial impact

- 6.1 The cost of the whistleblowing service for the three-month period 1 October to 31 December 2019 was £6,225 (excluding VAT) and for the period 1 January to 31 March 2020 was £4,725 (excluding VAT).

7. Stakeholder/Community Impact

- 7.1 The whistleblowing policy was developed and agreed to complement management reporting arrangements and to ensure all matters at the Council are fully transparent and officers are accountable.
- 7.2 The aim of the policy and the appointment of an independent service provider is to empower employees to report suspected wrongdoing as early as possible in the knowledge that their concerns will be taken seriously and investigated appropriately; that they will be protected from victimisation and other forms of detriment; and that their confidentiality will be maintained.
- 7.3 The whistleblowing policy, and subsequent reviews, have been consulted on with the trades unions to secure a local agreement.

8. Background reading/external references

- 8.1 [Finance and Resources Committee 23 May 2019: item 7.20 Whistleblowing Policy](#)

9. Appendices

9.1 None.

by virtue of paragraph(s) 1, 12, 15 of Part 1 of Schedule 7A
of the Local Government(Scotland) Act 1973.

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