

Minutes

Governance, Risk and Best Value Committee

10.00am, Tuesday 7 July 2020

Present

Councillors Mowat (Convener), Bird, Cameron (substituting for Councillor Munro), Jim Campbell, Child, Doggart, Miller, Munn, Rae, Neil Ross and Work

1. Minutes

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 9 June 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 4 – Annual Update on Council Transport Arms-Length Companies

Action 11 – Council Companies – Edinburgh Leisure Annual Report 2018/19

Action 12 - Place Directorate – Internal Audit Action Update

Action 13 (1 & 2) – Accounts Commission: Local Government in Scotland – Financial Overview 2018/19

Action 14 – Internal Audit – Proposed Changes to the 2019/20 Internal Audit Annual Plan

Action 17 (1 & 2) – Outstanding Actions

Action 18 – Work Programme – Upcoming Reports During Interim Period

Action 19 (3 & 4) – Internal Audit: Covid 19 Response

Action 21 – Whistleblowing Annual Report

- 2) To note that the expected completion date for the following action would be updated:

Action 1 – Governance, Risk and Best Value Work Programme – 1 August 2020

- 3) To note that the following action would be updated to August 2020:

Action 16 – The EDI Group – Update Report

- 4) To otherwise note the outstanding actions.

(Reference – Outstanding Actions 7 July 2020, submitted.)

3. Work Programme

Decision

- 1) To note the Work Programme.
- 2) To note that Upcoming Reports would incorporate forthcoming reports noted in the Outstanding Actions.

(Reference – Governance, Risk and Best Value Committee Work Programme 7 July 2020, submitted.)

4. Business Bulletin

Decision

- 1) To note the business bulletin.
- 2) To note Councillor Rae would have discussions with officers about DWP response letter and would liaise with the Convener if the action was to be taken further.

(Reference – Governance, Risk and Best Value Committee Business Bulletin 7 July 2020, submitted.)

5. Edinburgh Leisure Accounts

Edinburgh Leisure Accounts for the period ending 31 March 2019 were submitted. June Peebles, Chief Executive of Edinburgh Leisure, was in attendance to answer questions.

Decision

- 1) To note the accounts.

- 2) To share information on the pay ratio between the highest and lowest paid employees.

(Reference – Edinburgh Leisure Accounts.)

Declaration of Interests

Councillor Cameron declared a non-financial interest in the above item as a current Director of Edinburgh Leisure and of Edinburgh International Conference Centre.

6. Changing the Internal Audit Annual Plan

Committee on 18 February 2020 had requested that the process for approval of urgent and routine changes to the Internal Audit annual plan be reported to the next committee for clarification. The process for changing the Internal Audit Annual Plan was outlined.

Decision

To note the process for changing the Internal Audit Annual Plan.

(References – Governance, Risk and Best Value Committee, 18 February 2020 (item 9); report by the Chief Executive, submitted.)

7. Arm's Length External Organisations – Scope of Review 2020

The report highlighted the decision of the Policy and Sustainability Committee of 25 February 2020 regarding the reporting of Arm's Length External Organisations (ALEOs) to committee. In addition, the report outlined further detail on the planned review of ALEOs by the Chief Executive.

Decision

- 1) To note the process for committee reporting agreed by the Policy and Sustainability Committee.
- 2) To note that wider ALEO delivery as a result of COVID-19 was being considered as part of the Adaptation and Renewal Programme.
- 3) To note that it would be made clear what the purpose was of structuring a company as an ALEO, and when structuring a company as an ALEO was the right structure and when it was not.
- 4) To note that consideration would be given on how to synchronise discrepancies that may arise when the Council and Board of Directors or Executive had different interpretations on the purpose of an ALEO.
- 5) To note that consideration would be given to increasing transparency for the public.

- 6) To agree that the minutes of the quarterly Governance Hub meetings would be shared with Elected Members.
- 7) To note that guidance on training that was available to Councillors to discharge their role as a Director would be provided.
- 8) To consider what mechanism there should be for the Council as a whole to be able to ask questions of a board of a Council ALEO.
- 9) To agree that Terms of Reference would be agreed at committee. The Democracy, Governance and Resilience Senior Manager and Head of Strategy and Communications would determine which committee the Terms of Reference would go to.

(References – Policy and Sustainability Committee, 25 February 2020 (item 9); report by the Chief Executive, submitted.)

Declaration of Interests

Councillor Miller declared a non-financial interest in the above item as a council appointed Director of Transport for Edinburgh and Marketing Edinburgh.

Councillor Cameron declared a non-financial interest in the above item as a current Director of Edinburgh Leisure and of the Edinburgh International Conference Centre.

8. Internal Audit: Agile Auditing and Consultancy Support

An update on Internal Audit's (IA) agile auditing methodology and approach to provision of consultancy support across the Council was provided.

Decision

- 1) To note the agile auditing and consultancy approaches used by Internal Audit (IA) to provide assurance and support across the Council, in addition to established IA methodology.
- 2) To note that both approaches were 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.
- 3) To note the Chief Internal Auditor's professional opinion that adoption of the agile auditing methodology and provision of consultancy support would not impact upon, or result in, impairment of IA independence and objectivity

(References – Governance, Risk and Best Value Committee, 9 June 2020 (item 4); report by the Chief Internal Auditor, submitted.)

9. Internal Audit: Final Internal Audit reports supporting the 2019/20 Annual Opinion

Committee were provided with copies of certain final Internal Audit (IA) reports as requested by the committee, that would form part of the basis of the 2019/20 IA annual opinion for their review and scrutiny

Decision

- 1) To note the final Internal Audit reports.
- 2) To agree the Internal Audit Final Report on Revenue Budget Setting and Management would be circulated to all elected members.

(References – Governance, Risk and Best Value Committee, 9 June 2020 (item 4); report by the Chief Internal Auditor, submitted.)

10. Decisions Taken under Delegated Power and Operational Decision Making – Covid-19 – referral from the Policy and Sustainability Committee

The Policy and Sustainability Committee had referred a report on 28 May 2020 to the Governance, Risk and best Value Committee for consideration.

Decision

- 1) To note the report.
- 2) To agree an update on the work regarding protected characteristics would be incorporated in to the next report going to the Policy and Sustainability Committee.

(References – Policy and Sustainability Committee, 28 May 2020 (item 5); referral from the Policy and Sustainability Committee, submitted.)

11. Pandemic Planning – Motion by Councillor Doggart

The following motion by Councillor Doggart was submitted in terms of Standing Order 14:

“Committee:

- 1) Requests a report from the Executive Director of Resources in two cycles in respect of City of Edinburgh Council’s preparations for a pandemic affecting the city;
- 2) Requests the report contains, but is not limited to:

- a) Lessons learned from the Council's participation in Exercise Silver Swan in 2016;
- b) Lessons learned from, and communication with, other Edinburgh based authorities' participation in Exercise Iris in 2016;
- 3) Requests the report indicates how the two exercises were reflected in the Council's risk management programme;
- 4) Requests the report highlights how the lessons learned were implemented in the initial stages of response to Covid-19;
- 5) Requests the report indicates those areas where additional planning is required to deal with a subsequent outbreak of Covid-19, or the discovery of an alternative virus."

- moved by Councillor Doggart, seconded by Councillor Jim Campbell

Amendment 1

- 1) To note that both Exercise Silver Swan and Exercise Iris were Scottish Government, rather than City of Edinburgh Council, led exercises from 2016.
- 2) To note the Council's current governance arrangements and to note that although one of the agreed delegated functions of Governance, Risk and Best Value Committee was 'To scrutinise the procedures and processes implemented in response to the Covid-19 emergency', the request for a report regarding the Council's involvement in Exercise Silver Swan and Exercise Iris did not meet this criteria.
- 3) To note the adaptation and renewal programme for recovery and to agree that the opportunity to reflect on lessons learned and scrutinise the Council's response to COVID-19, would be an integral part of this going forward.
- 4) To agree that the Chief Executive reviewed the Council's response and preparedness to COVID-19 but acknowledged that as the Council was still responding to the pandemic, any review would be premature at this time.
- 5) To ask that the Chief Executive updated the Policy and Sustainability Committee on when he believed it would be appropriate both in terms of resources and timing for such a review to take place.

- moved by Councillor Bird, seconded by Councillor Child

Amendment 2

- 1) To thank officers for the emergency response to the pandemic and the necessary changes to services.

- 2) To note the Scottish Government route map out of lockdown, the subsequent phases which would bring further changes, and the risk of the need to pause or return to strict measures.
- 3) To request a report from the Chief Executive to be prepared once Council services were in a stable, long term operational state, whether that was a return to previous services or a new model of service delivery, in respect of the Council's preparations for a pandemic affecting the city, that included:
 - a. any preparations carried out in partnership with other agencies or governments
 - b. reference to the Council's risk management programme
 - c. any lessons learned in the initial stages of response to Covid-19 which were implemented during subsequent stages
 - d. recommendations of additional planning required to deal with a subsequent outbreak of Covid-19, or the discovery of an alternative virus.

- moved by Councillor Miller, seconded by Councillor Rae

In accordance with Standing Order 19(12), paragraphs 1 and 2 of Amendment 2 and were accepted as an addendum to Amendment 1.

Voting

For the motion - 4 votes

For Amendment 1 (as adjusted) - 7 votes

(For the motion: Councillors Jim Campbell, Doggart, Mowat and Neil Ross

For Amendment 1 (as adjusted): Councillors Bird, Child, Cameron, Miller, Munn, Rae and Work.)

Decision

To approve the following adjusted amendment by Councillor Bird:

- 1) To thank officers for the emergency response to the pandemic and the necessary changes to services.
- 2) To note the Scottish Government route map out of lockdown, the subsequent phases which would bring further changes, and the risk of the need to pause or return to strict measures.
- 3) To note that both Exercise Silver Swan and Exercise Iris were Scottish Government, rather than City of Edinburgh Council, led exercises from 2016.

- 4) To note the Council's current governance arrangements and to note that although one of the agreed delegated functions of GRBV was 'To scrutinise the procedures and processes implemented in response to the Covid-19 emergency', the request for a report regarding the Council's involvement in Exercise Silver Swan and Exercise Iris did not meet this criteria.
- 5) To note the adaptation and renewal programme for recovery and to agree that the opportunity to reflect on lessons learned and scrutinise the Council's response to COVID-19, would be an integral part of this going forward.
- 6) To agree that the Chief Executive reviewed the Council's response and preparedness to COVID-19 but acknowledged that as the Council was still responding to the pandemic, any review would be premature at this time.
- 7) To ask that the Chief Executive updated the Policy and Sustainability Committee on when he believed it would be appropriate both in terms of resources and timing for such a review to take place.