Notice of meeting and agenda

Governance, Risk and Best Value Committee

10.00 am Tuesday, 23rd March, 2021

Virtual Meeting - via Microsoft Teams

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 Any items under "Private Business" will not be published, although the decisions will be recorded in the minute.

Contacts

Email: martin.scott@edinburgh.gov.uk / natalie.le.couteur@edinburgh.gov.uk

Tel: 0131 529 4237 / 0131 529 6160

•EDINBVRGH•
THE CITY OF EDINBURGH COUNCIL

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

5. Outstanding Actions

6. Work Programme

7. Business Bulletin

8. Reports

9. Motions

9.1 None.

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 1, 12 and 15 of Part 1 of Schedule 7A of the Act.

11. Private Reports

Andrew Kerr

Chief Executive

Committee Members

Councillor Joanna Mowat (Convener), Councillor Eleanor Bird, Councillor Jim Campbell, Councillor Maureen Child, Councillor Denis Dixon, Councillor Phil Doggart, Councillor Gillian Gloyer, Councillor Gordon Munro, Councillor Susan Rae, Councillor Alex Staniforth 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 Microsoft Teams 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 Natalie Le Couteur / Martin Scott, Committee Services, City of Edinburgh Council, Business Centre 2.1, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG, Tel 0131 529 4237 / 0131 529 6160, email martin.scott@edinburgh.gov.uk / natalie.le.couteur@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 https://democracy.edinburgh.gov.uk/

Webcasting of Council meetings

Please note this meeting may be filmed for live and subsequent broadcast via the Council's internet site – at the start of the meeting the Convener will confirm if all or part of the meeting is being filmed.

The Council is a Data Controller under current Data Protection legislation. We broadcast Council meetings to fulfil our public task obligation to enable members of the public to observe the democratic process. Data collected during this webcast will be retained in accordance with the Council's published policy including, but not limited to, for the purpose of keeping historical records and making those records available via the Council's internet site.

Any information presented by individuals to the Council at a meeting, in a deputation or otherwise, in addition to forming part of a webcast that will be held as a historical record, will also be held and used by the Council in connection with the relevant matter until that matter is decided or otherwise resolved (including any potential appeals and other connected processes). Thereafter, that information will continue to be held as part of the historical record in accordance with the paragraphs above.

If you have any queries regarding this, and, in particular, if you believe that use and/or storage of any particular information would cause, or be likely to cause, substantial damage or distress to any individual, please contact Committee Services (committee.services@edinburgh.gov.uk).

This page is intentionally left blank

Minutes

Governance, Risk and Best Value Committee

10.00am, Tuesday 16 February 2021

Present

Councillors Mowat (Convener), Bird, Jim Campbell, Child, Dixon, Doggart, Munro, Osler (substituting for Councillor Gillian Gloyer), Staniforth and Work.

1.   Minutes

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 19 January 2021 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** - Revenue Budget 2020/21 – Month Three Position
>
>   **Action 9 –** Internal Audit Revisiting Internal Audit Extension Timeframes
>
>   **Action 10 -**Corporate Leadership Team (CLT) Risk Register
>
>   **Action 12 -** Annual Assurance Schedule - Edinburgh Health and Social Care Partnership
>
>   **Action 14** - Annual Assurance Schedule -Communities and Families
>
>   **Action 16 (1) -** Quarterly Services Update - Digital Services

2) To otherwise note the outstanding actions.

(Reference – Outstanding Actions 16 February 2021, submitted.)

3.   Work Programme

Decision

To note the Work Programme.

(Reference – Governance, Risk and Best Value Committee Work Programme 16 February 2021, submitted.)

4. Business Bulletin

The Governance, Risk and Best Value Committee Business Bulletin was presented.

Decision

1) To agree to circulate a briefing note to Committee from the Chief Executive of The City of Edinburgh Council (CEC) and the Chief Officer of the Edinburgh Integrated Joint Board (EIJB) to clarify how the Council can control the risks it is exposed to through the EIJB.

2) To agree to organise a workshop for Committee Members with attendance from, the Chief Internal Auditor, the Governance Democracy and Resilience Senior Manager and the Chief Officer of the EIJB, to consider the working relationship between CEC and the EIJB, ownership of risks, members' level of comfort with risks and to reflect upon the findings of the Feeley Review of Adult Social Care.

3) To agree to circulate the Derek Feeley review of Adult Social Care.

4) To otherwise note the Business Bulletin.

(Reference – Governance, Risk and Best Value Committee Business Bulletin 16 February 2021, submitted)

5. Revenue Budget 2020/21: 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 scrutiny, which provided an update on the estimated expenditure and income impacts of the Covid-19 pandemic upon the Council and its Arm's-Length External Organisations (ALEOs) during 2020/21, alongside offsetting sources of confirmed or anticipated funding, based on analysis of income and expenditure for the period to the end of October 2020.

Decision

To note the report.

(References – Finance and Resources Committee, 21 January 2021; referral from the Finance and Resources Committee, submitted.)

6. 2020-30 Capital Budget Strategy – 2020/21 Month Eight Monitoring – referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report which provided capital expenditure and income forecasts for 2020/21, providing explanations for variances, to the Governance, Risk and Best Value Committee to consider as part of its work plan.

Decision

To note the report.

(References – Finance and Resources Committee, 21 January 2021; referral from the Finance and Resources Committee, submitted.)

7. Accounts Commission: Local Government in Scotland – Financial Overview 2019/20 - 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 2019/20 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

To note the report.

(References – Finance and Resources Committee, 2 February 2021; referral from the Finance and Resources Committee, submitted.)

8. Annual Assurance Schedule – Chief Executive - Strategy and Communications

Each year the City of Edinburgh Council requires that Executive Directors complete Certificates of Assurance that represent their view of the effectiveness and appropriateness of controls in their areas of responsibility. These Certificates support the Annual Governance Statement which is a component part of the authority's Statement of Accounts. The Annual Assurance Schedule from Strategy and Communications was presented.

Decision

To note the annual assurance schedule.

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

9. Edinburgh Living Annual Report 2019 – referral from the Housing, Homelessness and Fair Work Committee

The Housing, Homelessness and Fair Work Committee had referred the annual report for Edinburgh Living which provided an overview of the financial year for 2019, including activities carried out by Edinburgh Living, the financial position at the end of the year and key areas of work for 2020.

Decision

To note the report.

(References – Housing, Homelessness and Fair Work Committee, 14 January 2021; referral from the Housing, Homelessness and Fair Work Committee, submitted.)

Declaration of Interests

Councillor Doggart declared a non-financial interest in the above item as a corporate member of Edinburgh Living.

This page is intentionally left blank

Outstanding Actions

Governance, Risk and Best Value Committee

23 March 2021

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
1	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	September 2021 ~~March 2021~~ ~~December 2020~~ ~~May 2020~~ ~~September 2019~~ ~~January 2019~~ ~~November 2017~~		**March 2021** An update is provided on the Business Bulletin for the meeting on 23 March 2021 **July 2020** A briefing note by the Chief Internal Auditor was circulated to members separately. **September 2019** A briefing note by the Chief Internal Auditor was

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							circulated to members separately.
2	17.09.19	Work Programme – Member/Officer Protocol	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	May 2021 ~~March 2021~~ ~~February 2021~~ ~~November 2020~~ ~~September 2020~~ ~~January 2020~~		**March 2021** Sessions with political groups are currently being arranged **February 2021** The timescales have been extended to allow for further engagement with elected members. **December 2020** The Code of Conduct Consultation is now live. The draft response to this is being developed to be presented to

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							Council on 4 February 2021 (Consultation closes 6 February). Officers are working to ensure these two documents align The Member/Officer Protocol will be brought to GRBV following this exercise in February 2021. **July 2020** Scottish Government are consulting on changes to the Code of Conduct and it is suggested that changes to the protocol await this piece of work

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							<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. **<u>December 2019</u>** Workshop with members held on 29 October 2019. A joint workshop will be arranged with officers and members early 2020 (following the

Page 14

No	Date	Report Title	Action		Action Owner	Expected completion date	Actual completion date	Comments
								General Election).
3	09.06.20	Draft Annual Governance Statement	1)	To agree to discuss with Strategy and Communications how the committee could support effective communication of the Council's policies.	Chief Executive	March 2021 ~~February 2021~~ ~~December 2020~~		**Recommended for closure** This session was held on 1 March. The session will be held after the budget has been set due to pressures on officer and member diaries. **January 2021:** This will be considered as part of the session noted under action 8 (Corporate Governance Framework Self-Assessment 2019/20). The session will

Page 15

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							consider the wider governance framework including the linkages between the annual governance session and corporate governance self-assessment.
			2) To agree to include further information on the issues raised in relation to Council ALEOs and specifically the assurance statement relating to Marketing Edinburgh in the update scheduled to be reported to committee in July		July 2021		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
4	09.06.20	Whistleblowing Monitoring Report – B Agenda	To agree to bring back the outcome of the final review on the Gas Safety investigation as soon as practicable.	Chief Executive	June 2021 ~~March 2021~~ ~~December 2020~~		The Monitoring Officer is bringing the Pinsents review report to GRBV on 23 March by way of an update and that the case will be brought forward for closure to the June meeting. The Head of Place Development is also bringing a progress report on this to the 23 March.
5	07.07.20	Motion by Councillor Doggart – Pandemic Planning	1) Agrees that the chief executive reviews the council's response and preparedness to COVID-19 but acknowledges	Chief Executive	TBC		An interim debrief of the Council's response to Covid-19 has been undertaken with key findings shared with the Adaptation and Renewal All

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
Page 18			that as the council is still responding to the pandemic, any review would be premature at this time. 2) Asks that the chief executive updates the Policy and Sustainability committee on when he believes it would be appropriate both in terms of resources and timing for such a review to take place.				Party Oversight Group on the 13th August. Lessons identified have been incorporated into the council's documentation for further waves / local outbreaks. A summary will be provided to the next P&S Committee. As the incident remains ongoing, it is too early to undertake a full lessons learned exercise at this time, but this will be kept under review and undertaken at the earliest appropriate opportunity
6	03.11.20	Internal Audit: Final Internal Audit reports	To note the Head of Place Development	Executive Director of	June 2021		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		supporting the 2019/20 Annual Opinion	would consider how Fire Safety measures are managed and communicated to Committee and Ward Councillors in the High-Rise Blocks within the Council's property estate.	Place			
7	03.11.20	Corporate Governance Framework Self-Assessment 2019/20	To agree that the Convener and any interested Committee Members would meet with Officers to consider how the Corporate Governance Framework Self-Assessment for 2020/21 could be refined to enhance the document.	Chief Executive	March 2021		**Recommended for closure** This session was held on 1 March. A meeting date in late February/early March will be issued to committee members by 31 December 2020.
8	08.12.20	Best Value Assurance Audit	1) That the Governance, Risk and Best Value Committee	Chief Executive	June 2021 ~~March 2021~~		A workshop on the Planning and Performance

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			recommends that when the refreshed Council Business Plan is brought forward this should clearly state what current plans it replaces and how progress against the Plan will be measured and reported to Council so that Council governance is clear.				Management Framework is being arranged with GRBV members.
			2) That the further consideration of genuine local community empowerment is reported back to Committee with details on how this will be put in place with a clear process and timescale that can progress can be measured against.		May 2021		
9	08.12.20	Addition to the 2020/21	To bring a B-agenda	Chief Internal	March 2021		**Recommended for**

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
		Internal Audit Annual Plan – B Agenda	report on progress with Internal Audit in March 2021 if available or to otherwise circulate a briefing note if the Internal Audit report was not available for GRBV in March 2021.	Auditor			**closure** Report is on the agenda for the meeting on 23 March 2021.
10	19.01.21	Annual Assurance Schedule - Place Directorate	To agree to an organisational structure for Roads and Transport Infrastructure with Committee.	Executive Director of Place	March 2021		
11	19.01.21	Quarterly Status Update – Digital Services –	To agree that the Head of Customer and Digital Services would work with Strategy and Communications and the Information Governance Team to consider diary management improvements	Executive Director of Resources	December 2021		**Update February 2021** The Head of Customer & Digital Services has been in contact with colleagues in Strategy & Communications and a meeting to look at how to progress this has

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
							been arranged.
12	16.02.21	Business Bulletin	1) To agree to circulate a briefing note to Committee from the Chief Executive of The City of Edinburgh Council (CEC) and the Chief Officer of the Edinburgh Integrated Joint Board (EIJB) to clarify how the Council can control the risks it is exposed to through the EIJB.	Chief Executive & Chief Officer EIJB	April 2021		A briefing note will be circulated after the workshop has taken place.
			2) To agree to organise a workshop for Committee Members with attendance from, the Chief Internal Auditor, the Governance Democracy and Resilience Senior Manager and the Chief Officer of the EIJB, to consider the working	Chief Executive & Chief Officer EIJB	April 2021		

No	Date	Report Title	Action	Action Owner	Expected completion date	Actual completion date	Comments
			relationship between CEC and the EIJB, ownership of risks, members' level of comfort with risks and to reflect upon the findings of the Feeley Review of Adult Social Care.				
			3) To agree to circulate the Derek Feeley review of Adult Social Care	Chief Executive			**Recommended for Closure** Circulated 16 February 2021

This page is intentionally left blank

Work Programme

Governance, Risk and Best Value Committee – 23 March 2021

	Title / description	Sub section	Purpose/Reason	Category or type	Lead officer	Stakeholder	Progress updates	Expected date
1	Internal Audit: Overdue Recommendations and Late Management Responses	Quarterly report	Paper outlines previous issues with follow up of internal audit recommendations, and an overview of the revised process within internal audit to follow up recommendations, including the role of CLG and the Committee	Internal Audit	Chief Internal Auditor	Council Wide	Quarterly	March 2021 June 2021 September 2021 December 2021
2	Internal Audit Quarterly Activity Report	Quarterly report	Review of quarterly IA activity with focus on high and medium risk findings to allow committee to challenge and request to see further detail on findings or to question relevant officers about findings	Internal Audit	Chief Internal Auditor	Council Wide	Quarterly	March 2021 June 2021 September 2021 December 2021

Agenda Item 6.1

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

3	IA Annual Report for the Year	Annual report	Review of annual IA activity with overall IA opinion on governance framework of the Council for consideration and challenge by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	August 2021
4	IA Audit Plan for the year	Annual report	Presentation of Risk Based Internal Audit Plan for approval by Committee	Internal Audit	Chief Internal Auditor	Council Wide	Annually	March 2021
5	Accounts Commission	Annual report	Local Government in Scotland: Financial Overview	External Audit	Executive Director of Resources	Council Wide	Annually	February 2022
6	Accounts Commission	Annual report	Local Government in Scotland: Performance and Challenges	External Audit	Executive Director of Resources	Council Wide	Annually	June 2021
7	Annual Audit Plan	Azets	Annual audit plan	External Audit	Executive Director of Resources	Council Wide	Annually	March 2021
8	Annual ISA 260 Audit Report	Azets	Annual Audit Report	External Audit	Executive Director of Resources	Council Wide	Annually	September 2021
9	External Audit Review of Internal Financial Controls	Azets	Interim audit report on Council wide internal financial control framework	External Audit	Executive Director of Resources	Council Wide	Annually	September 2021

| 10 | IT Audit Report | Azets | Scope agreed during annual external audit planning cycle | External Audit | Executive Director of Resources | Council Wide | Annually | September 2020, as part of the quarterly Status of the ICT Programme Update |
| 11 | Internal Audit Charter | Annual Report | Annual Audit Charter | Internal Audit | Executive Director of Resources | Council Wide | Annually | March 2021 |

Section B – Scrutiny Items

12	Change Portfolio		To ensure major projects undertaken by the Council were being adequately project managed	Major Project	Chief Executive	All	Six-monthly	March 2021 September 2021
13	Welfare Reform	Review	Update reports to be referred annually by Corporate Policy and Strategy Committee	Scrutiny	Executive Director of Resources	Council Wide	Annual	June 2021
14	Review of CLT Risk Scrutiny	Risk	Quarterly review of CLT's scrutiny of risk	Risk Management	Chief Executive	Council Wide	Quarterly	March 2021 June 2021 September 2021 December 2021
15	Whistleblowing Quarterly Report		Quarterly Report	Scrutiny	Chief Executive	Internal	Quarterly	March 2021 June 2021 September 2021 December 2021
16	Workforce Control	Staff	Annual report	Scrutiny	Executive Director of Resources	Council Wide	Annual	June 2021

17	Committee Decisions	Democracy	Annual report	Scrutiny	Chief Executive	Governance, Risk and Best Value Committee	Annual	December 2021 This was included as part of the Political Management Report being considered at Council on 10 December 2020.
18	Monitoring of Council Policies	Democracy	Annual report	Scrutiny	Chief Executive	Council Wide	Annual	Spring 2021
19	Revenue Monitoring	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Quarterly	June 2021 September 2021 February 2022
20	Capital Monitoring	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Quarterly	June 2021 September 2021 February 2022
21	Revenue Outturn	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	August 2021
22	Capital Outturn and Receipts	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	August 2021
23	Treasury – Strategy report	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	March 2021
24	Treasury – Annual report	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	September 2021

25	Treasury – Mid-term report	Review	Progress reports	Scrutiny	Executive Director of Resources	Council Wide	Annual	January 2022
26	Quarterly Status Update - Digital Service Programme	Review	Progress Reports	Scrutiny	Executive Director of Resources	Council Wide	Quarterly	May 2021 September 2021 December 2021 March 2022
27	Annual Assurance Schedules	Review	Progress Report	Scrutiny	All Directorates	Council	Annual	August 2021 (EIJB) November 2021 (Resources) January 2022 (Place) January 2022 (Communities and Families) February 2022 (Chief Executive)
28	Review of the Member/Officer Protocol	Review	Including timescales for submission	Scrutiny	Chief Executive	Council Wide	Flexible	May 2021

Section C – Council Companies

29	Capital Theatres	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	December 2021
30	Edinburgh Leisure	Review	Progress Report	Scrutiny	Executive Director for Communities and Families	Council Wide	Annual	TBC
31	Capital City Partnership	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	May 2021
32	Transport for Edinburgh	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	August 2021
33	Lothian Buses	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	August 2021
34	Edinburgh Trams	Review	Progress Report	Scrutiny	Executive Director of Place	Council Wide	Annual	August 2021
35	Edinburgh International Conference Centre	Review	Progress Report	Scrutiny	Executive Director of Resources	Council Wide	Annual	December 2021

GRBV Upcoming Reports

Appendix 1

Report Title	Type	Flexible/Not Flexible
May 2021		
Quarterly Status Update - Digital Services	Scrutiny	Flexible
Review of the Member/Officer Protocol	Scrutiny	Flexible
Capital City Partnership	Scrutiny	Flexible

This page is intentionally left blank

Business Bulletin

Governance, Risk and Best Value Committee

10.00am, Tuesday, 23 March 2021

Teams Meeting

Governance, Risk and Best Value Committee

Convener:	Members:	Contact:
Councillor Joanna Mowat	Councillor Eleanor Bird Councillor Jim Campbell Councillor Maureen Child Councillor Phil Doggart Councillor Gillian Gloyer Councillor Alex Staniforth Councillor Denis Dixon Councillor Gordon Munro Councillor Susan Rae Councillor Norman Work	Natalie Le Couteur Committee Officer 0131 529 6160 Martin Scott Assistant Committee Officer 0131 529 4237

Recent news	Contact
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 (item 1 on rolling actions log) There has been a rolling GRBV action since June 2017 requesting an update on the Principles to govern the working relationship between the City of Edinburgh Council Governance, Risk and Best Value Committee and the Edinburgh Integrated Joint Board Audit and Assurance Committee that were designed by NHS Lothian. This action followed a presentation of the proposed Principles at GRBV in June 2017 where Elected Members requested further clarity on how they could best engage with the process supporting the Principles. Following this, NHSL was engaged and requested to review and refresh the Principles to reflect similar concerns raised by both GRBV and Midlothian Council's audit committees. This action has required to be consistently deferred, as the refresh of the principles has not yet been completed. The latest briefing on this action was provided to GRBV members in July 2020 which confirmed that The NHSL Chief Internal Auditor advised that (following delays due to Covid-	Lesley Newdall Chief Internal Auditor Lesley.Newdall@edinburgh.gov.uk Tel: 0131 469 3216

19) the NHSL Audit and Risk committee update on the refreshed Principles was scheduled for August 2020, and that the Principles would be shared with the four Lothian Chief Internal Auditors for review and comment shortly afterwards. This delivery timeframe for review of the principles was not achieved.

A further discussion was held between the four Lothian CIAs and the NHSL CIA in January 2021, where it was agreed that the changes required to the Principles would be discussed within NHSL, and a workshop scheduled for April 2020 attended by the IJB Audit Committee Chairs for the four Lothians; the NHSL Audit Committee Chair; and the four Lothian and the NHSL CIAs to discuss the refreshed principles, with a view to finalising and agreeing the changes by the end of June 2021.

The expected completion date for this GRBV action has now been deferred to September 2021, reflecting the revised timeframes for completion of the refresh.

Precis of Policy Update Issue 28 which summarizes activity relevant to the GRBV Committee between 1 February 2021 to 28 February 2021.
You can read the full update and previous issues of the Policy Update on the Orb.

From the Council
Finance and Resources Committee
(2 February) –
- Reviewed the Council Business Plan and Budget 2021/26, Sustainable Capital Budget Strategy 2021-2031, Housing Revenue Account (HRA) Budget Strategy (2021-2031), and the Budget Insights 2020 report.

Governance, Risk and Best Value Committee
(16 February) –
- Accepted the Annual Assurance Schedule of the Strategy and Communications Division.

City of Edinburgh Council
(18 February) –
- Agreed the Council's Budget 2021/22 and Business Plan and Budget 2021/26.

Robert Pollock
Service and Policy Advisor
(Governance, Risk & Best Value Committee)
robert.pollock2@edinburgh.gov.uk
Tel: 0131 529 4862

Policy and Sustainability Committee
(23 February) –

- Acknowledged updates on Welfare Reform, the Adaptation and Renewal Programme, and the Noted a report on the impact of Covid-19 on care homes in Edinburgh

From the Scottish Parliament
Bills completing a Legislative Stage:
Budget (Scotland) (No.5) Bill – Stage 1 (25 February)
Publications:
Recent papers explore the Scottish Budget 2021/22 and Local Government Finance, devolved benefits following the EU-UK Withdrawal Agreement, and the future of social care and support in Scotland.

From the Scottish Government
Publications:
A New Future for Scotland's Town Centres (3 February) – an independent collaborative review of the progress and scope of the 2013 Town Centre Action Plan in light of the Covid-19 pandemic.
Adult Social Care: Independent Review (3 February) – an independent review of adult social care in Scotland led by Derek Feeley.
A National Mission with Local Impact: Infrastructure Investment Plan for Scotland 2021-22 to 2025-26 (4 February) – outlining a strategic approach for infrastructure to play in helping businesses and communities to adapt and recover from the Covid-19 pandemic.
Housing Revenue Account (HRA) Statistics (26 February) – the annual publication providing information on trends in the balance of HRA housing income and expenditure; the amount Scottish Local Authorities earned from housing and other Council stock, how they spent this income and whether there was a surplus or deficit at year end.

From other Agencies
National Records of Scotland
Homeless Deaths 2019 (23 February) – the annual statistical report including estimates of the number of homeless deaths registered in Scotland during 2019. Data is categorised by sex and age-group, Council area and cause of death.
Poverty and Inequality Commission

[Strategic Plan 2020-2023](#) (4 February) – setting out the vision and priorities that will guide the Commission's work to tackle poverty and inequality in Scotland.

Social Security Scotland

[Client Survey 2018-2020](#) (22 February) – findings from a survey designed to learn about the experiences and needs of Social Security Scotland's clients. The results will be used to measure how Social Security Scotland is performing and where it can improve.

If you have any questions please email strategyandinsight@edinburgh.gov.uk

Forthcoming activities:

This page is intentionally left blank

Governance, Risk and Best Value Committee

10:00am, Tuesday, 23 March 2021

Internal Audit: Overdue Findings and Key Performance Indicators as at 10 February 2021

Item number	
Executive/routine	Executive
Wards	
Council Commitments	

1. Recommendations

1.1 It is recommended that the Committee:

1.1.1 notes the status of the overdue Internal Audit (IA) findings as at 10 February 2021; and,

1.1.2 refers this paper to the relevant Council Executive committees and the Edinburgh Integration Joint Board Audit and Assurance Committee for information in relation to the current Health and Social Care Partnership position.

Lesley Newdall

Chief Internal Auditor

Legal and Risk Division, Resources Directorate

E-mail: lesley.newdall@edinburgh.gov.uk | Tel: 0131 469 3216

Report

Internal Audit: Overdue Findings and Key Performance Indicators as at 10 February 2021

2.   Executive Summary

Open and overdue Internal Audit findings

2.1   Following the Corporate Leadership Team (CLT) decision to temporarily reallocate capacity within directorates to prioritise focus on the closure of IA findings in November 2021, IA has noted a consistent increase in the number of overdue findings and management actions now proposed for closure by management, mainly driven by the Place and Resource Directorates. However, this is offset by an ongoing increase in the overall number of findings and management actions becoming overdue.

2.2   During the period 30 October 2020 to 10 February 2021 a total of 29 findings (14 open and 15 overdue) and 72 management actions have been closed following review by IA, within a positive monthly trend evident in the number of management actions closed.

2.3   There has been no significant change in the historic ageing profile of overdue findings, although there is a consistent increase evident in the number of findings less than 90 days overdue and the number of management actions where the latest implementation date has been missed. This confirms that ongoing focus is required to ensure that future implementation dates are achieved and not missed.

2.4   Further detail on the monthly trends in open and overdue findings is included at Appendix 1.

Ownership

2.5   Ownership of open IA findings previously owned by the former Executive Director of Communities and Families and Head of Strategy and Communications have now been reallocated to relevant Senior Managers.

Current position as at 10 February 2021

2.6   A total of 115 open IA findings remain to be addressed across the Council as at 10 February 2021. This includes the one remaining historic finding and excludes open

and overdue Internal Audit findings for the Edinburgh Integration Joint Board and the Lothian Pension Fund.

2.7 With regard to resolution of the 26 historic overdue findings reopened in June 2018, only one overdue finding remains and validation of this is in progress.

2.8 During the period a total of 29 findings (14 open and 15 overdue) and 72 management actions have been closed across the Council following review by IA.

2.9 Of the 115 currently open IA findings:

   2.9.1 a total of 47 (41%) are open, but not yet overdue;

   2.9.2 68 (59%) are currently reported as overdue as they have missed the final agreed implementation dates. This reflects an increase of 11% in comparison to the October 2020 position (48%).

   2.9.3 68% of the overdue findings are more than six months overdue, reflecting a decrease of 4% in comparison to October 2020 (72%) with 24% aged between six months and one year and 44% more than one year overdue.

   2.9.4 evidence in relation to 20 of the 68 overdue findings is currently being reviewed by IA to confirm that it is sufficient to support closure; and

   2.9.5 48 overdue findings still require to be addressed.

2.10 The number of overdue management actions associated with open and overdue findings where completion dates have been revised more than once since July 2018 is 74, reflecting a decrease of 4 when compared to the October 2020 position. This excludes the four-month date extension that was applied to reflect the impact of Covid-19.

Key Performance Indicators

2.11 Recognising the impacts of Covid-19, IA key performance indicators (KPIs) have not been applied to audits completed by IA during the current plan year, however IA has noted an increase in the time required to agree and finalise IA reports.

2.12 It is also acknowledged that IA is currently taking longer to respond to increased volumes of requests to validate closure of management actions whilst progressing delivery of the 2020/21 annual plan.

3. Background

3.1 Overdue findings arising from IA reports are reported monthly to the Corporate Leadership Team (CLT) and quarterly to the GRBV Committee.

3.2 This report specifically excludes open and overdue findings that relate to the Edinburgh Integration Joint Board (EIJB) and the Lothian Pension Fund (LPF). These are reported separately to the EIJB Audit and Assurance Committee and the Pensions Audit Sub-Committee respectively.

3.3   Findings raised by IA in audit reports typically include more than one agreed management action to address the risks identified. IA methodology requires all agreed management actions to be closed in order to close the finding.

3.4   The IA definition of an overdue finding is any finding where all agreed management actions have not been evidenced as implemented by management and validated as closed by IA by the date agreed by management and IA and recorded in relevant IA reports.

3.5   The IA definition of an overdue management action is any agreed management action supporting an open IA finding that is either open or overdue, where the individual action has not been evidenced as implemented by management and validated as closed by IA by the agreed date.

3.6   Where management considers that actions are complete and sufficient evidence is available to support IA review and confirm closure, the action is marked as 'implemented' by management on the IA follow-up system. When IA has reviewed the evidence provided, the management action will either be 'closed' or will remain open and returned to the relevant owner with supporting rationale provided to explain what further evidence is required to enable closure.

3.7   A 'started' status recorded by management confirms that the agreed management action remains open and that implementation progress ongoing.

3.8   A 'pending' status recorded by management confirms that the agreed management action remains open with no implementation progress evident to date.

3.9   An operational dashboard has been designed to track progress against the key performance indicators included in the IA Journey Map and Key Performance Indicators document that was designed to monitor progress of both management and Internal Audit with delivery of the Internal Audit annual plan. The dashboard is provided monthly to the Corporate Leadership Team to highlight any significant delays that could potentially impact on delivery of the annual plan.

4.   Main report

4.1   The 115 open IA findings across the Council have been split into the following two categories to enable separate monitoring and reporting of the historic findings that were reopened in June 2018:

4.1.1   Current findings (114 in total) shows progress with findings raised, tracked, and reported on as part of the routine IA assurance cycle; and

4.1.2   Historic overdue findings (1 in total) highlight progress with closure of the 26 historic findings that were reopened in June 2018.

4.2   A total of 68 open IA findings (67 current and 1 historic) are overdue.

4.3   The movement in open and overdue IA findings during the period 30 October 2020 to 10 February 2021 is as follows:

Analysis of changes between 30/10/20 and 10/02/2021				Analysis at 10/02/2021	
	Position 30/10/20	Added	Closed	Position 10/02/21	Current	Historic reopened
Open	126	3	(14)	115	114	1
Overdue	61	15	(8)	68	67	1

Current Overdue Findings

4.4 Of the 115 currently open findings, 68 (59%) comprising 19 High; 39 Medium; and 10 Low rated findings are now 'overdue'.

4.5 However, IA is currently reviewing evidence to support closure of 20 of these findings (6 High, 10 Medium and 4 Low), leaving a balance of 48 overdue findings (13 High; 29 Medium; and 6 Low) still to be addressed.
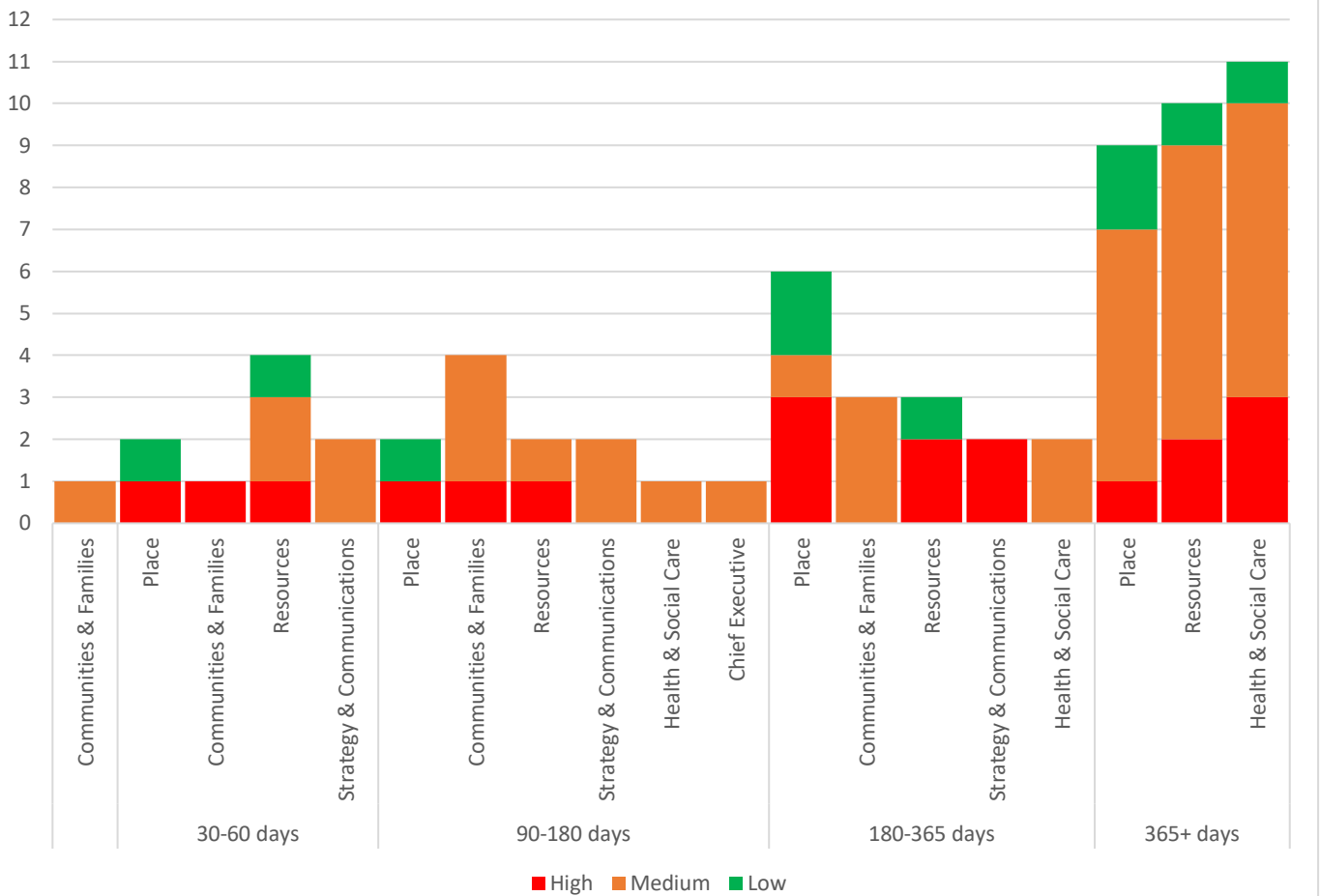
Historic Overdue Findings

4.6 IA is currently reviewing evidence recently provided to support closure of the one final remaining medium rated historic finding. This work will be completed by March 2021.

Overdue findings ageing analysis

4.7 Figure 1 illustrates the ageing profile of all 68 current and historic overdue findings by rating across directorates as at 10 February 2021.

Figure 1: Aged Overdue Findings by Ratings across Directorates

Figure 1: Aged Overdue Findings by Ratings across Directorates

4.8 This analysis of the ageing of the 68 overdue findings outlined below highlights that Directorates continue to make good progress with resolving findings between six months and one-year overdue, as the proportion of those findings, has decreased. However, this is offset by an increase in the proportion of findings less than six months overdue across the quarter.

- 10 (14%) are less than 3 months (90 days) overdue, in comparison to 13% as at October 2020;

- 12 (18%) are between 3 and 6 months (90 and 180 days) overdue, in comparison to 15% as at October 2020;

- 16 (24%) are between 6 months and one year (180 and 365 days) overdue, in comparison to 28% as at October 2020; and,

- 30 (44%) are more than one year overdue, with no change in comparison to the position as at October 2020.

4.9 It should be noted that findings more than 180 days old include the one remaining medium rated historic finding to be closed (see 4.6 above) that is currently being reviewed by IA.
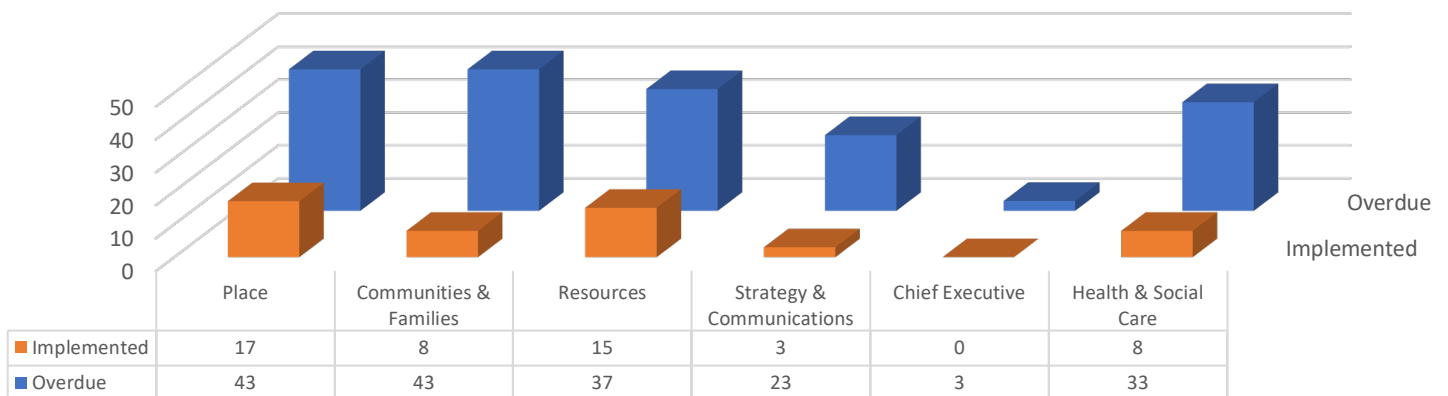
Governance, Risk and Best Value Committee – 23 March 2021

Findings Closed Based on Management's Risk Acceptance

4.10   One Low rated finding originally raised in the Waste and Cleansing Performance Management Framework audit completed in August 2019 has been closed by IA during the period where management has accepted a low of risk associated with the original IA finding.

Agreed Management Actions Analysis

4.11   The 115 open IA findings are supported by a total of 315 agreed management actions. Of these, 182 (58%) are overdue as the completion timeframe agreed with management when the report was finalised has not been achieved. This reflects a 10% increase from the October 2019 position (48%).

4.12   Of the 182 overdue management actions, 51 have a status of 'implemented' and are currently with IA for review to confirm whether they can be closed, leaving a balance of 131 to be addressed.

4.13   Appendix 2 provides an analysis of the 182 overdue management actions highlighting:

- their current status as at 10 February 2021 with:
  - ➢ 51 implemented actions where management believe the action has been completed and it is now with IA for validation;
  - ➢ 102 started where the action is open, and implementation is ongoing; and
  - ➢ 29 pending where the action is open with no implementation progress evident to date.
- 76 instances (42%) where the latest implementation date has been missed; and
- 74 instances (41%) where the implementation date has been revised more than once.

4.14   Figure 2 illustrates the allocation of the 182 overdue management actions across Directorates, and the 51 that have been passed to IA for review to confirm whether they can be closed.

Figure 2: Overdue and Implemented Management Actions by Directorate

	Place	Communities & Families	Resources	Strategy & Communications	Chief Executive	Health & Social Care
■ Implemented	17	8	15	3	0	8
■ Overdue	43	43	37	23	3	33

Revised Implementation Dates

4.15 Figure 3 illustrates that there are currently 74 open management actions (including those that are overdue) across directorates where completion dates have been revised between one and five times since July 2018. This number excludes the automatic extension applied by IA to reflect the impact of Covid-19.

4.16 This reflects a decrease of 4 in comparison to the position reported in October 2020 (78).

4.17 Of these 74 management actions, 29 are associated with High rated findings; 36 Medium; and 9 Low, with the majority of date revisions in Health and Social Care Partnership.

Figure 3 - management actions with more than one revised completion date since July 2018
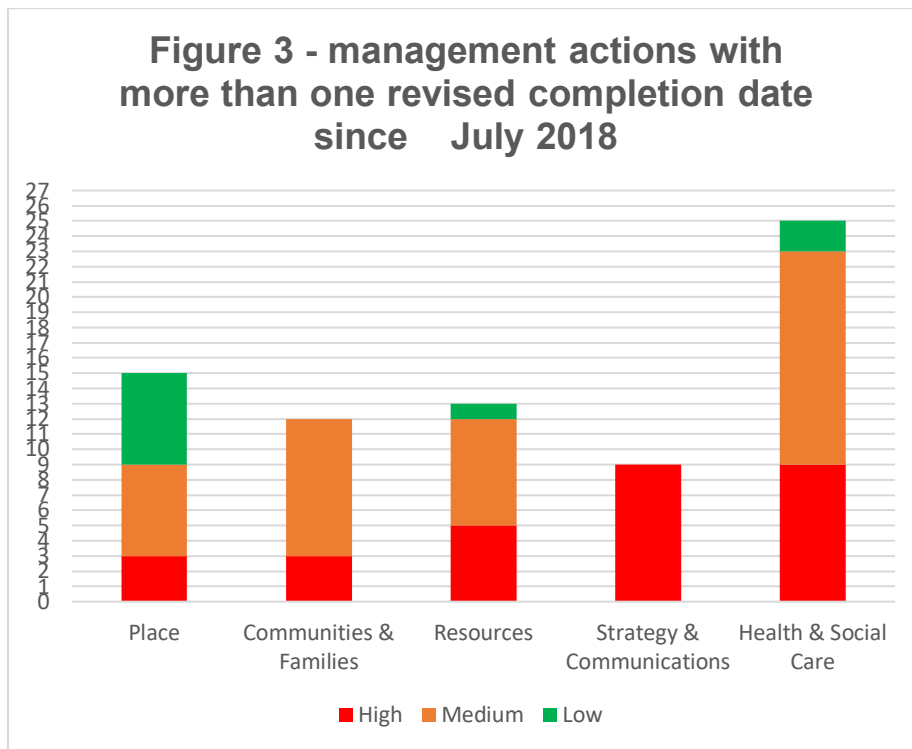
Key Performance Themes Identified from the IA Dashboard

4.18 The IA dashboard has not been applied in the current plan year as the Council continues to focus on its Covid-19 resilience response.

5. Next Steps

5.1 IA will continue to monitor the open and overdues findings position, providing monthly updates to the CLT and quarterly updates to the Governance, Risk and Best Value Committee.

6. Financial impact

6.1 There are no direct financial impacts arising from this report, although failure to close findings and address the associated risks in a timely manner may have some inherent financial impact.

7. Stakeholder/Community Impact

7.1 If agreed management actions supporting closure of Internal Audit findings are not implemented, the Council will be exposed to the service delivery risks set out in the relevant Internal Audit reports. Internal Audit findings are raised as a result of control gaps or deficiencies identified during reviews therefore overdue items inherently impact upon effective risk management, compliance and governance.

8.   Background reading/external references

8.1   [Internal Audit report - Historic Internal Audit Findings - May 2018 Committee - Item 7.3](#)

8.2   [Internal Audit: Overdue Findings and Key Performance Indicators at 30 October 2020 – Paper 8.3](#)

9.   Appendices

9.1   Appendix 1 – Monthly Trend Analysis of IA Overdue Findings and Management Actions

9.2   Appendix 2 – Internal Audit Overdue Management Actions as at 10 February 2021

Appendix 1 – Monthly Trend Analysis of IA Overdue Findings and Management Action

	30/10/2020		07/12/2020		11/01/2021		10/02/21		Trend
IA Findings									
Open findings	126	100%	123	100%	119	100%	115	100%	Not applicable
Not yet due	65	52%	59	48%	45	38%	47	41%	Not applicable
Overdue findings	61	48%	64	52%	74	62%	68	59%	🟥
Findings Closed (open and Overdue)	6	N/A	3	N/A	4	N/A	7	N/A	🟧
Overdue - IA Validating	10	16%	12	19%	17	23%	20	30%	🟩
High Overdue	18	30%	19	30%	23	31%	19	28%	🟧
Medium Overdue	33	54%	36	56%	41	55%	39	57%	🟧
Low Overdue	10	16%	9	14%	10	14%	10	15%	🟧
<90 days overdue	8	13%	11	17%	16	22%	10	15%	🟥
90-180 days overdue	9	15%	7	11%	9	12%	12	18%	🟧
180-365 days overdue	17	28%	21	33%	20	27%	16	23%	🟩
>365 days overdue	27	44%	25	39%	29	39%	30	44%	🟧
Management Actions									
Open actions	376	100%	364	100%	340	100%	315	100%	Not applicable
Not yet due	197	52%	175	48%	138	41%	133	42%	Not applicable
Overdue actions	179	48%	189	52%	202	59%	182	58%	🟥
Actions Closed (Open and Overdue)	10	N/A	12	N/A	27	N/A	33	N/A	🟩
Overdue - IA Validating	20	11%	39	21%	52	26%	51	28%	🟩
Latest date missed	44	25%	60	32%	73	36%	76	42%	🟥
Date revised more than once	76	42%	86	46%	82	41%	74	41%	🟧

Trend Analysis - key

🟥	Adverse trend - action required
🟧	Stable with limited change
🟩	Positive trend with progress evident

No trend analysis is performed on open findings and findings that are not yet due as these numbers will naturally increase when new IA reports are finalised

Appendix 2 - Internal Audit Overdue Management Actions as at 10 February 2021

Glossary of terms

1. Project – This is the name of the audit report.

2. Owner – The Executive Director responsible for implementation of the action.

3. Issue Type – This is the priority of the audit finding, categorised as Critical; High; Medium; or Low

4. Issue – This is the name of the finding.

5. Status – This is the current status of the management action. These are categorised as:

   - Pending (the action is open and there has been no progress towards implementation),

   - Started (the action is open, and work is ongoing to implement the management action), and

   - **Implemented** (the service area believes the action has been implemented and this is with Internal Audit for validation).

6. Agreed Management action – This is the action agreed between Internal Audit and Management to address the finding.

7. Estimated date – the original agreed implementation date.

8. Revised date – the current revised date. **Red** formatting in the dates field indicates the last revised date is overdue.

9. Number of revisions – the number of times the date has been revised since July 2018. **Amber** formatting in the dates field indicates the date has been revised more than once.

10. Contributor – Officers involved in implementation of an agreed management action.

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
1	Policy Management Framework CE1902 Policy Management Framework Issue 1: Completeness and accuracy of Council policies and the online policy register Gavin King, Democracy, Governance and Resilience Senior Manager	**High**	CE1902 - 1.2c Policy Register review: Ongoing review of policy register – Strategy and Communications **Implemented**	A working group led by Strategy and Communications with representation from Internal Audit and each Directorate will be established to identify and implement a process to support timely review and upload of approved policies, and Integrated Impact Assessments (IIA) for inclusion within the online register. Following this, further actions to meet the recommendations will be communicated to all Directorates and Divisions.	**Estimated Date: 30/11/2020 Revised Date: 31/12/2020 No of Revisions 1**	Chris Peggie Donna Rodger Laura Callender Ross Murray

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
2	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 1: Policies, Procedures & Guidance Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901: Issue 1.1(a) - Review of Schools Admissions Policy **Implemented**	Following review, the policy will be presented to the Education, Children and Families committee for review and approval. The Executive Director of Communities & Families will be the policy owner, with the Senior Education Officer responsible for operational review and oversight.	**Estimated Date: 30/04/2020** **Revised Date: 31/12/2020** **No of Revisions 1**	Arran Finlay Claire Thompson Michelle McMillan Nickey Boyle Ruth Currie
Page 51	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 1: Policies, Procedures & Guidance Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901: Issue 1.2 - Review & Update of School Websites **Implemented**	A communication will be issued to all schools to request a review of their school website to ensure: current academic year handbooks are published; links to relevant content on the Council website remain current; only standard approved Council forms are published; and all privacy notices published on School websites are directly linked to the Council's statement.	**Estimated Date: 31/12/2020** **Revised Date: 01/05/2021** **No of Revisions 0**	Arran Finlay Claire Thompson Michelle McMillan Nickey Boyle Ruth Currie

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
4	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 2: Operational Processes - Admissions & Appeals Gavin King, Democracy, Governance and Resilience Senior Manager	**High**	CF1901 Issue 2.1(b): Committee on Pupil Student Support Remit, Review & Recording of Outcomes **Implemented**	Decisions and outcomes of the annual meeting of the Committee on Pupil Student Support will be documented, and a process implemented to ensure that the outcomes are addressed by the Council. Consideration will be given to reviewing and updating the remit of the Committee. Committee members will be provided with training and support to enable them to fulfil their role in line with the agreed remit.	**Estimated Date: 30/06/2020 Revised Date: 30/11/2020 No of Revisions 1**	Andy Gray Arran Finlay Donna Rodger Hayley Barnett Lesley Birrell Nickey Boyle Ruth Currie
5	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 5: Provision of Training & Support Andy Gray, Head of Schools & Lifelong Learning	**Medium**	CF1901 Issue 5: Induction and annual refresher training programme **Implemented**	Following conclusion of the working group, Communities and Families will develop a programme of training which includes input across all services areas involved will be designed and delivered to schools' senior leadership teams to ensure that they are aware of and understand: Revised policy and procedures where relevant Applicable legislative and regulatory requirements and Council policies The end to end capacity planning, admissions and appeals process, including management of waiting lists Roles, responsibilities and accountabilities of all teams involved in the process Data access, security, and retention requirements Conflicts of interest requirements Parent and carer engagement guidance Details of ongoing support and information available to manage capacity planning in relation to late placing requests and	**Estimated Date: 31/10/2020 Revised Date: 01/03/2021 No of Revisions 0**	Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Michelle Vanhegan Neil Jamieson Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
				upheld appeals, including timetabling and accommodation adjustments		
6	Records Management - LAAC CW1705 Issue 1: Project file review process Bernadette Oxley, Head of Children's Services	**Medium**	CW1705 Issue 1.1: Review and Refresh of the project file review process. **Implemented**	Agreed actions will be implemented as recommended by Internal Audit. The project team will work to an end of January date for implementation of the quality assurance within the project team with an end of February date for Internal Audit to review the process applied.	**Estimated Date: 28/02/2020 Revised Date: 31/12/2020 No of Revisions 3**	Alison Roarty Ani Barclay Donna Rodger Freeha Ahmed Gillie Severin John Arthur Louise McRae Nickey Boyle Nicola Harvey Ruth Currie Stephen Moir
7	Records Management - LAACCW1705 Issue 1: Project file review process Bernadette Oxley, Head of Children's Services	**Medium**	CW1705 Issue 1.2: Process communication and training **Implemented**	Agreed actions will be implementedas recommended by Internal Audit. Theproject team will work to an end of January date for implementation of qualityassurance within the project team with an end of February date for InternalAudit to review the process applied.	**Estimated Date:28/02/2020 Revised Date:31/12/2020 No of Revisions 2**	Alison RoartyAni BarclayDonna RodgerFreeha AhmedGillie SeverinJohn ArthurLouise McRaeNickey BoyleNicola HarveyStephen Moir
8	Historic Unimplemented Findings MIS1601 - issue 1 Budgetary Impact Stephen Moir, Executive Director of Resources	**Medium**	Recommendation 1 - Budgetary Impact **Implemented**	The R&M budget for 2016/17 will be closely monitored as services are now procured direct from suppliers and an imbedded due diligence process has been developed. This will inform the budget setting process, but it should, however, be noted that this has historically been based on availability and not need.	**Estimated Date: 31/03/2017 Revised Date: 29/06/2018 No of Revisions 0**	Audrey Dutton Gohar Khan Layla Smith Michelle Vanhegan Murdo MacLeod Peter Watton

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
9	Emergency Prioritisation & Complaints CW1806 Issue 1: ATEC 24 Operational Framework Judith Proctor, Chief Officer	**Medium**	CW1806 Issue 1.1(2): ATEC 24 Review of Operational Processes - Call Prioritisation **Implemented**	2. Call prioritisation procedures will be designed and implemented, including recording the rationale for call prioritisation and delivery of training to staff. A review schedule for these procedures will be implemented with the last review date and date of next scheduled review clearly identifiable i.e. every 3 years.	**Estimated Date: 29/11/2019 Revised Date: 01/02/2021** **No of Revisions 2**	Angela Ritchie Craig ODonnell Tom Cowan
10	Emergency Prioritisation & Complaints CW1806 Issue 1: ATEC 24 Operational Framework Judith Proctor, Chief Officer	**Medium**	CW1806 Issue 1.4(1): ATEC 24 Quality Assurance Framework - Methodology **Implemented**	1. A documented quality assurance process aligned to Technology Enabled Care Services Association (TSA) guidelines will be developed and communicated for call handling and response visits. The process will include quality assurance roles and responsibilities, frequency and scope of quality assurance checks, sampling methodologies to be applied.	**Estimated Date: 30/04/2020 Revised Date: 01/02/2021** **No of Revisions 2**	Angela Ritchie Craig ODonnell Tom Cowan
11	Emergency Prioritisation & Complaints CW1806 Issue 1: ATEC 24 Operational Framework Judith Proctor, Chief Officer	**Medium**	CW1806 Issue 1.4(2): ATEC 24 Quality Assurance Framework - Application **Implemented**	2. Quality assurance outcomes will be linked to supervision and training and performance objectives, with regular one to ones scheduled to ensure action is taken to address any competence issues or gaps identified.	**Estimated Date: 30/04/2020 Revised Date: 01/02/2021** **No of Revisions 2**	Angela Ritchie Craig ODonnell Tony Duncan

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
12	Emergency Prioritisation & Complaints CW1806 Issue 2: ATEC 24 Customer Engagement Judith Proctor, Chief Officer	**Low**	CW1806 Issue 2.1(1): ATEC 24 Customer Feedback - Implementation of Process **Implemented**	1. Feedback processes to obtain input from service users will be implemented. These should be incorporated into a continuous improvement programme for service delivery, with improvement actions appropriately allocated and monitored.	**Estimated Date: 31/01/2020 Revised Date: 01/02/2021 No of Revisions 2**	Angela Ritchie Craig ODonnell Tom Cowan
13	Emergency Prioritisation & Complaints CW1806 Issue 2: ATEC 24 Customer Engagement Judith Proctor, Chief Officer	**Low**	CW1806 Issue 2.1(2): ATEC 24 Customer Feedback - Tracking and Communication **Implemented**	2. Benefits and service improvements made as a result of customer feedback will be tracked and communicated both externally to customers, and internally to the service.	**Estimated Date: 31/01/2020 Revised Date: 01/02/2021 No of Revisions 2**	Angela Ritchie Craig ODonnell Tom Cowan
14	ICT System Access Rights CW1809 Financial Systems Access Controls - Development of Overarching Action plan Stephen Moir, Executive Director of Resources	**High**	CW1809 - Development of Overarching Action plan **Implemented**	Digital Services has confirmed that they will own the findings raised from this review and will work (in conjunction with other divisions such as information governance; finance; and human resources) to create an appropriate action plan to address the risks identified. The action plan will initially focus only on the Council's key financial systems and will consider all of the recommendations made by Internal Audit in this report. It is also acknowledged that the risks that have been highlighted are not exclusively limited to financial systems and could also extend to the Health and Social Care Partnership (the Partnership). Consequently, the action plan will include guidance to be applied by all system administrators across the	**Estimated Date: 28/02/2020 Revised Date: 01/07/2020 No of Revisions 0**	Alison Roarty Heather Robb Layla Smith Michelle Vanhegan Nicola Harvey

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 56				Council. This will be communicated and shared with the expectation that it will be applied across all systems and divisions, including those that deliver services on behalf of and provide support to the Partnership. Following distribution of the guidance, discussions will be held with Internal Audit to determine whether the remaining systems used across the Council should be subject to a separate audit to confirm whether the user administration guidance is being consistently applied. Once the plan has been prepared and resources to support implementation identified and agreed with relevant divisions, timeframes for implementation of individual system plan actions will be discussed and agreed with Internal Audit. The plan will be prepared by March 2020.		

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
15	Digital Services Change Initiation CW1901 Change Initiation: Issue 1 - Inconsistencies in the change management processes Stephen Moir, Executive Director of Resources	Medium	CW1901: Recommendation 1.2.1 - Review of service levels for CGI review and response to change requests Implemented	Service levels for CGI review of and responses to change requests will be reviewed and consideration given to implementing the following changes where this is possible within the terms of the current contract: creating bespoke service levels for individual complex change requests with any additional costs associated with bespoke service levels incorporated into the cost of the change request. Where bespoke service levels are agreed, a process will be established to ensure that these are communicated to both Digital Services and the change requestor. CGI and the Council will also consider and implement (if appropriate) an initial review of change requests to confirm that they are of an acceptable level of quality and include sufficient information to support an initial assessment of the requirement for a Data Privacy Impact Assessment prior to acceptance. Progress against delivery of both standard and bespoke service levels for CGI review of and response to change requests will continue to be monitored by both the Council and CGI via established governance processes.	Estimated Date: 31/12/2020 Revised Date: No of Revisions 0	Alison Roarty Derek Masson Heather Robb Jackie Galloway Layla Smith Michelle Vanhegan Nicola Harvey

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
16	Digital Services Change Initiation CW1901 Change Initiation: Issue 1 - Inconsistencies in the change management processes Stephen Moir, Executive Director of Resources	**Medium**	CW1901: Recommendation 1.2.2 - Defined point for assessment for DPIAs for simple changes **Implemented**	A clearly defined point for assessment of the requirement for Data Privacy Impact Assessments (DPIAs) for simple changes will be agreed; incorporated within the change request process (Remedy submission forms); and consistently applied.	**Estimated Date: 31/12/2020 Revised Date:** **No of Revisions 0**	Alison Roarty Derek Masson Heather Robb Jackie Galloway Layla Smith Michelle Vanhegan Nicola Harvey
17	Brexit impacts - supply chain management CW1905 Issue 1: Divisional and Directorate Brexit supply chain management risks Judith Proctor, Chief Officer	**Medium**	CW1905 Rec. 1.1d: Health and Social Care Partnership - Divisional and directorate supply chain management **Implemented**	As discussed and agreed at the Corporate Leadership Team (CLT) on 29th July 2020, these findings will be implemented as recommended by Internal Audit and in line with an earlier CLT decision (8 July 2020) that the most significant corporate concurrent risks (including Brexit supply chain risks) that could potentially impact the Council will be identified by October 2020. It is acknowledged that divisional and directorate supply chain risks will need to be identified to support this process.	**Estimated Date:30/10/2020 Revised Date: No of Revisions0**	Angela RitchieMoira PringleTom CowanTony Duncan
18	Validation Review 2019/20 CW1909 Issue 2: Communities and Families – Complaints received by Helpline Andy Gray, Head of Schools & Lifelong Learning	**Medium**	CW1909 Recommendation 2.1.1 - Roles and Responsibilities for managing complaints helpline **Implemented**	Access to the complaints database will be arranged for all team members involved in the complaint handling process with supporting files saved in secured shared drives. Contingency access arrangements will also be developed and implemented.	**Estimated Date: 31/01/2021 Revised Date:** **No of Revisions 0**	Claire Thompson Michelle McMillan Nickey Boyle

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
19	Validation Review 2019/20 CW1909 Issue 2: Communities and Families – Complaints received by Helpline Andy Gray, Head of Schools & Lifelong Learning	**Medium**	CW1909 Recommendation 2.1.2 - Transferring temporary complaints records and updating performance statistics **Implemented**	The complaints cases that were recorded on the temporary spreadsheet will be transferred to the complaints database and the performance statistics retrospectively updated. Management will also be advised of any significant changes in performance statistic resulting from the retrospective update.	**Estimated Date: 31/01/2021 Revised Date:** **No of Revisions 0**	Claire Thompson Michelle McMillan Nickey Boyle
20	Life Safety CW1910 - Life safety: Issue 4 Housing Property Services – fire and water safety processes Paul Lawrence, Executive Director of Place and SRO	**Low**	CW1910 Rec. 4.1.2 Housing Property Services – fire safety inspections in low rise properties **Implemented**	Housing Property Services will investigate the feasibility of implementing a technology solution to enable recording of the outcomes of fire inspections in low rise buildings where the Council has responsibility with Digital Services. If a solution is feasible, a change request for implementation of the new system will be prepared and submitted to CGI, the Council's technology partner.	**Estimated Date: 18/12/2020 Revised Date:** **No of Revisions 0**	Alison Coburn Alistair Latona Michael Thain Patricia Blore Willie Gilhooly

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 60 21	Drivers - findings only report 1: Completion of Driver Licence checks Paul Lawrence, Executive Director of Place and SRO	**High**	1.2 - Agreed Management Action – Establish an accurate population of Council drivers **Implemented**	1. An e mail will be prepared and issued by the Executive Director of Place. This will include an explanation of the requirement for Council vocational and grey fleet drivers to complete ad return the DVLA driver licence check permissions forms to Fleet Services and include a date for completion. The e mail will also reinforce the escalation process to be applied where that driving permission forms are not received and will confirm that driver permits will be revoked where completed forms are not returned on time. 2. Fleet services will engage with the Business Hub team within Strategy and Communications and to determine what support can be provided to enable effective resolution of the current position and the nature of ongoing support required. 3. This action is already in progress as a number of leavers have now been removed from the Fleet Services Tranman driver database. Once all permission forms have been received, a full reconciliation will be performed. Subsequent reconciliations will then be performed monthly and will be moved to quarterly if no significant issues are experienced. 4. Reports are currently received monthly from the Business Hub (Strategy and Communications) and Per Temps for agency workers, but these include all leavers and do not specifically highlight those who are drivers. As part of our engagement with the Strategy and Communications	**Estimated Date: 01/11/2020 Revised Date: 01/03/2021 No of Revisions 0**	Alison Coburn David Givan Gareth Barwell George Gaunt Graeme Hume Nicole Fraser Scott Millar

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 61				Business Hub, we will determine whether leaver reports can be provided that include details of vocational and grey fleet drivers. If this is not possible, we will engage with Continuous Improvement to determine whether it is possible to design and implement an electronic process that compares the employee data in the leavers reports with the data retained in the Fleet Services Tranman driver database to identify those leavers who are drivers. If this is not possible, a manual comparison will continue to be performed and leavers who are drivers will be removed from the Tranman database and advised to Davis 5 and 6 - Once the data cleanse and reconciliation has been performed, the Council will have an accurate record of all known vocational, grey fleet, and agency drivers that details where checks have been performed and permits issued. The ongoing reconciliation to be performed at 2 above will ensure that this remains complete and accurate 7. E Davis will perform the licence checks as soon as permission forms are received by them. Davis also provides management information in relation to permissions that are due to expire. MI re permissions that are due to expire.		

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
22	Drivers - findings only report 1: Completion of Driver Licence checks Paul Lawrence, Executive Director of Place and SRO	**High**	1.3 - Driver permit revocation **Implemented**	1. A standard reminder e mail will be prepared by the Head of Place Development and issued to employees and their line managers where permission forms have not been received 10 days prior to their expiry. 2. The e mail will highlight that driver permits will be revoked if they are not received by the required date, and employees and line managers will be made aware that they are no longer eligible to drive for the Council and 9for vocational and agency drivers) that they are no longer covered by Council insurance. 3. and 4 Permits will be revoked where permission forms are not received on time and e mail confirmation provided to employees and line managers reminding them that they can no longer drive on behalf of the Council.	**Estimated Date: 04/05/2020 Revised Date: 29/01/2021 No of Revisions 1**	Alison Coburn David Givan Gareth Barwell George Gaunt Graeme Hume Nicole Fraser Scott Millar

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
23	Unsupported Technology (Shadow IT) and End User Computing CW1914 Issue 1: Digital strategy and governance Stephen Moir, Executive Director of Resources	Medium	CW1914 Rec 1.3 - Architectural roadmap Implemented	The digital strategy will be supported by a digital roadmap. The roadmap will be designed to understand both existing and future technology system requirements across Council directorates and divisions, including existing shadow IT systems and the potential future use of shadow IT to support ongoing service delivery. This road map will be prepared in consultation with divisions and directorates. A process will be established to ensure that all new technology procurement requests are considered by the enterprise architecture governance forum together with the register of shadow IT to inform final procurement / system development decisions. This will include a RACI document that clearly defines who should be responsible; accountable; consulted; and informed for all relevant aspects of enterprise architecture governance between the Council and its technology partners CGI.	Estimated Date: 17/12/2020 Revised Date: No of Revisions 0	Alison Roarty Heather Robb Layla Smith Michelle Vanhegan Mike Bell Nicola Harvey
24	Edinburgh Alcohol and Drug Partnership (EADP) – Contract ManagementRisk and Supplier Performance ManagementJudith Proctor, Chief Officer	High	Rec 1 - Risk Management Implemented	A contracts management risk register will be developed describing, prioritising, and addressing risks to delivery. The risk register will be shared with and approved by the Core group by January 2018. The risk register will be refreshed quarterly and reviewed by the Core Group.	Estimated Date:30/03/2018 Revised Date:01/03/2021 No of Revisions 4	Angela RitchieDavid WilliamsTony Duncan

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
25	Edinburgh Alcohol and Drug Partnership (EADP) – Contract Management Key Person Dependency and Process Documentation Judith Proctor, Chief Officer	**Medium**	Rec 5 - Records Management Policy **Implemented**	Records retention policy: Direction will be requested from the Information Governance team in relation to Records Management Policy requirements and how they should be applied to retention, archiving and destruction of contract management information. Any lessons learned will be shared with the Health and Social Care contracts management team.	**Estimated Date: 30/03/2018 Revised Date: 01/02/2021** **No of Revisions 5**	Angela Ritchie David Williams Tony Duncan
26	Non-Housing Invoices Schedule of Rates Stephen Moir, Executive Director of Resources	**Medium**	New non-housing contractor framework **Implemented**	The non-Housing contractor framework will be re-tendered during 2017. The inclusion of detailed best-value and due-diligence options will be considered as part of the process. This may include schedule of rates, gain share, penalties etc or a combination.	**Estimated Date: 31/08/2017 Revised Date: 31/03/2019** **No of Revisions 2**	Audrey Dutton Gohar Khan Layla Smith Mark Stenhouse Michelle Vanhegan Murdo MacLeod Peter Watton
27	Non-Housing Invoices Availability of documentation Stephen Moir, Executive Director of Resources	**Medium**	CAFM **Implemented**	It is anticipated that CAFM will be in operational use (services being implemented on a rolling programme thereafter) in early 2017 with a non-Housing R&M implementation process in place for FY 2017/18	**Estimated Date: 01/04/2017 Revised Date: 31/08/2018 No of Revisions 1**	Audrey Dutton Gohar Khan Layla Smith Michelle Vanhegan Murdo MacLeod Peter Watton
28	Local Development Plan Financial Modelling Paul Lawrence, Executive Director of Place and SRO	**High**	Funding **Implemented**	Challenge of infrastructure proposals will be performed at the LDP Action Programme oversight group. Complete and agree Financial Model of 2018 LDP Action Programme Annual Report to CLT and F&R Committees Prepare update to Financial Model in line with next LDP project plan.	**Estimated Date: 31/03/2018 Revised Date: 01/10/2020** **No of Revisions 2**	Alison Coburn Claire Duchart David Leslie David Givan George Gaunt Kate Hopper Michael Thain Sandra Harrison

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
29	Planning and S75 Developer Contributions Ongoing management of developer contributions Stephen Moir, Executive Director of Resources	High	PL1802 Iss 3 Rec 3.2 Ongoing maintenance of developer contributions **Implemented**	All recommended actions will be implemented as set out above (in IA recommendations).	**Estimated Date: 30/09/2020 Revised Date: 01/02/2021 No of Revisions 0**	Alison Henry Annette Smith Hugh Dunn Layla Smith Michelle Vanhegan Rebecca Andrew
30	HMO Licensing PL1803 Issue 1 Licensing system - Data Integrity and Performance Issues Paul Lawrence, Executive Director of Place and SRO	High	PL1803 Issue 1.2 Escalation of system issues **Implemented**	The Place Directorate has previously reported on operational performance issues to the Regulatory Committee in 2018. The Place Directorate will include a full assessment of system issues with APP within a wider performance report due to be submitted to Regulatory Committee in the last quarter of 2019/20. This report will include an update on proposed project plan for APP Cx	**Estimated Date: 31/03/2020 Revised Date: 31/03/2021 No of Revisions 1**	Alison Coburn Andrew Mitchell David Givan George Gaunt Grace McCabe Isla Burton Michael Thain Sandra Harrison
31	HMO Licensing PL1803 Issue 3 - Operational Performance and Reporting Paul Lawrence, Executive Director of Place and SRO	Medium	PL1803 Issue 3.6 HMO Key Performance Indicators and Performance Reporting **Implemented**	The Regulatory Committee were previously advised that HMO performance data would be excluded whilst the Licencing introduced the significant change of moving towards a three-year licensing system. Performance reports therefore only included Civic and Taxi data in the period 2015-2018. Licencing will be reporting to Regulatory Committee on the first cycle of three-year licencing for HMO's prior to the setting of Licensing Fees for 2020/21 in early 2020. The Directorate will include within that report relevant performance data and make recommendations for	**Estimated Date: 31/01/2020 Revised Date: 01/06/2020 No of Revisions 0**	Alison Coburn Andrew Mitchell David Givan George Gaunt Grace McCabe Isla Burton Michael Thain Sandra Harrison

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
		(orange)		approval for performance targets ongoing performance targets.	(red)	
32	Waste & Cleansing Services - Performance Management Framework PL1807 Issue 1: Waste and Cleansing Performance Management Framework Paul Lawrence, Executive Director of Place and SRO	Low	PL1807 1.3 Waste and Cleansing Policy **Implemented**	The Policy Handbook will not be updated to reflect items suitable for inclusion in residual waste bins as it is not updated frequently enough to ensure that this information would be up to date and accurate. A clearer link to the Scottish Government's Code of Practice on Litter and Refuse guidance will be included in all customer communications and on the website.	**Estimated Date: 27/12/2019 Revised Date: 01/11/2020 No of Revisions 1**	Alison Coburn Andy Williams David Givan Gareth Barwell George Gaunt
33	Road Services Improvement Plan PL1808 Issue 4. Roads - Management of public liability claims Paul Lawrence, Executive Director of Place and SRO	Low	PL1808 - 4.1 Management of public liability claims **Implemented**	A new process will be developed within the Confirm system which requires reconciliation between accident claim enquiries and those logged on the Local Authority Claims Handling System (LACHS) system.	**Estimated Date: 28/05/2020 Revised Date: 31/12/2020 No of Revisions 1**	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Jordan Walker Nicole Fraser Sean Gilchrist
34	Road Services Improvement Plan PL1808 Issue 4. Roads - Management of public liability claims Paul Lawrence, Executive Director of Place and SRO	Low	PL1808 - 4.2 Management of public liability claims **Implemented**	Quarterly meetings will be arranged between the Safety Inspection team and the Insurance team to identify trends and areas of focus. This process will be designed and implemented by the Team Leader, Safety Inspections to be appointed as part of the ongoing restructure.	**Estimated Date: 30/04/2020 Revised Date: 31/12/2020 No of Revisions 1**	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Nicole Fraser Sean Gilchrist

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
35 Page 67	Street Lighting and Traffic Signals Street Lighting - Inventory and Maintenance Paul Lawrence, Executive Director of Place and SRO	Medium	PL1810 Issue 2: Rec 1 - Street lighting inventory completeness and electrical testing results Implemented	Clear processes will be designed and implemented to ensure that: all street lighting additions and removals are accurately recorded on Confirm; electrical testing outcomes are completely and accurately recorded on Confirm; and progress with testing is accurately monitored and reconciled. These processes will be included in the Street Lighting Operational Guide (developed under Finding No 3 below). With this action being inextricably linked with the ongoing Energy Efficient Street Lighting Programme, implementation will be phased (on a Ward by Ward basis) within six months of completion of each Ward within the Programme, with full completion by 30 June 2022. It has been agreed with Internal Audit that an implementation date of 20 December 2019 has been agreed with Internal Audit, enabling them to perform sample testing across the wards that have been completed at that time.	Estimated Date:20/12/2019 Revised Date:01/02/2021 No of Revisions 3	Alan Simpson Alison Coburn Claire Duchart Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Lindsey McPhillips Nicole Fraser Robert Mansell Tony Booth

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
36	Street Lighting and Traffic Signals Street Lighting - Inventory and Maintenance Paul Lawrence, Executive Director of Place and SRO	**Medium**	PL1810 Issue 2: Rec 2 - Street Lighting Inventory Checks **Implemented**	The processes (designed and implemented above) will include a monitoring arrangement, with quarterly checks made to confirm the completeness and accuracy of the inventory in Confirm. With this action being inextricably linked with the ongoing Energy Efficient Street Lighting Programme, implementation will be phased (on a Ward by Ward basis) within six months of completion of each Ward within the Programme, with full completion by 30 June 2022. It has been agreed with Internal Audit that an implementation date of 20 December 2019 has been agreed with Internal Audit, enabling them to perform sample testing across the wards that have been completed at that time.	**Estimated Date: 20/12/2019 Revised Date: 01/02/2021 No of Revisions 3**	Alan Simpson Alison Coburn Claire Duchart Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Lindsey McPhillips Nicole Fraser Robert Mansell Tony Booth
37	Property Maintenance Monitoring of outstanding jobs Stephen Moir, Executive Director of Resources	**Medium**	Monitoring of outstanding jobs **Implemented**	The AS400 system does not allow recoding or reporting on completion until invoice stage. Contractors are already confirming when jobs complete to agreed SLAs (M&E in particular). This includes outstanding jobs. New contracts being procured will require all contracts to report on performance, but this is not anticipated to be complete until end 2017 by which time CAFM will also be in place. CAFM will support monitoring of outstanding works orders. In the meantime, as noted in Finding 2, an interim monitoring/tracking process has been developed for condition survey high risk/urgent items	**Estimated Date: 31/12/2017 Revised Date: 31/05/2019 No of Revisions 3**	Audrey Dutton Gohar Khan Layla Smith Mark Stenhouse Michelle Vanhegan Murdo MacLeod Peter Watton

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
38	Drivers Management and use of Driver Permits and fuel FOB cards Paul Lawrence, Executive Director of Place and SRO	**Medium**	Management and use of Driver Permits and Fuel FOB cards Rec 4 **Implemented**	Fleet Services will perform an exercise to remove all historic leavers from their database and advise the external third party who performs the annual licence checks to ensure that no subsequent checks are performed on former employees;	**Estimated Date: 01/02/2019 Revised Date: 01/03/2021 No of Revisions 3**	Alison Coburn Claire Duchart David Givan Gareth Barwell George Gaunt Katy Miller Martin Young Nicole Fraser Scott Millar Steven Wright
39	Drivers Recording and addressing driving incidents Paul Lawrence, Executive Director of Place and SRO	**Medium**	Recording and addressing driving incidents Rec 3 **Implemented**	Quarterly analysis of driving incidents will be performed and provided to Service Areas with a request that any recurring themes or root causes are incorporated into ongoing driver training;	**Estimated Date: 01/02/2019 Revised Date: 01/12/2020 No of Revisions 2**	Adam Fergie Alison Coburn Claire Duchart David Givan Gareth Barwell George Gaunt Katy Miller Martin Young Nicole Fraser Scott Millar Steven Wright
40	Cyber Security - Public Sector Action Plan RES1808: Issue 1: Critical Operational Cyber Security Controls Stephen Moir, Executive Director of Resources	**Medium**	RES1808: Issue 1: Recommendation 4.1 - User access controls **Implemented**	CGI indicated that the full recommendations made by the external auditor could not be implemented without significant change to the contract and at a notable additional cost. CGI provided the Council and the External Auditors with details of the current oversight of the CGI Wintel and UNIX password policies. Current ongoing evidence of this oversight via the Security Working Group will be provided to external audit, a statement confirming the risk acceptance by the Executive Director of Resources will be prepared,	**Estimated Date: 31/05/2019 Revised Date: 01/10/2019 No of Revisions 0**	Alison Roarty Heather Robb Layla Smith Michelle Vanhegan Mike Brown Nicola Harvey

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
		🟧		approved, signed, and provided to Scott Moncrieff.	🟥	
41	Supplier Management Framework and CIS Payments RES1809 Issue 1: Contract Management by Directorates and Service Areas Paul Lawrence, Executive Director of Place and SRO	**High**	RES1809 Issue 1.1(4): Completeness and accuracy of the contract register - Place **Implemented**	Place A recent review of the contracts register was carried out. However, an annual review of the contracts register will be undertaken to ensure that the Council's contracts register is completely and accurately populated for all Place contracts, with contract tiering assessments and accurate contract manager details included.	**Estimated Date: 31/03/2020 Revised Date: 31/12/2020 No of Revisions 1**	Alison Coburn David Givan Gareth Barwell George Gaunt Lynne Halfpenny Michael Thain
42	Supplier Management Framework and CIS Payments RES1809 Issue 1: Contract Management by Directorates and Service Areas Jackie Irvine, Chief Social Work Officer & Head of Safer & Stronger Communities	**High**	RES1809 Issue 1.4(3): Review of contract waivers - C&F **Implemented**	Communities and Families Recommendations accepted. We have reduced the need for waivers through the development of framework arrangements and contracts that are in place. However, we will review the waivers currently in place and report this to Communities and Families Directorate Senior Management Team meeting with the Corporate and Procurement Services commercial partner.	**Estimated Date: 27/03/2020 Revised Date: 01/11/2020 No of Revisions 1**	Anna Gray Claire Thompson David Hoy Michelle McMillan Nichola Dadds Nickey Boyle

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
43	New Facilities Management Service Level Agreement RES1814 - Facilities Management SLA: Janitorial Services Governance Framework Stephen Moir, Executive Director of Resources	**High**	RES1814 - Facilities Management SLA: Issue 1.1 Key Performance Indicators **Implemented**	A suite of KPI's is currently being developed in conjunction with the Communities & Families. While an element of these are service led, Facilities Management are keen to ensure a customer led component to these. These KPI's will be based on industry standards and will be linked to Facilities Management performance data and the outcomes of quality assurance reviews. Once agreed, KPI's will be communicated through training sessions, web updates and included in the SLA and janitorial handbook which is distributed both to staff and to our customers and key stakeholders. Monthly dashboards will be produced highlighting performance against indicators. These will be both for internal service use and for customer reporting.	**Estimated Date:31/03/2020 Revised Date:01/08/2020 No of Revisions 0**	Audrey DuttonGohar KhanLayla SmithMark StenhouseMichelle VanheganPeter Watton
44	New Facilities Management Service Level Agreement RES1814 - Facilities Management SLA: Janitorial Services Governance Framework Stephen Moir, Executive Director of Resources	**High**	Facilities Management SLA: Issue 1.3 Ongoing quality assurance reviews **Implemented**	Ongoing quality assurance reviews will be established as described above. In addition to using these to measure the efficacy of our SLA delivery, these are required as part of the ISO 9001/45001 certification process and designed to give us comfort over the robustness of our policies, procedures and supporting documentation.	**Estimated Date: 31/03/2020 Revised Date: 01/08/2021 No of Revisions 1**	Audrey Dutton Gohar Khan Layla Smith Mark Stenhouse Michelle Vanhegan Peter Watton

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 72	CGI Subcontract Management C/f 2018/19 1 Council oversight of CGI subcontract management Stephen Moir, Executive Director of Resources	Medium	1.1 Assessment of the criticality of CGI sub-contractors Implemented	Digital Services will: Perform a review, with the assistance of CGI where appropriate, of the remaining population of 65 sub-contractors that are not currently classified as key sub-contractors to determine whether they should be reclassified as 'key sub-contractors' based on the criticality of their role in supporting delivery of Council services, or the value of their contracts in comparison to the aggregate charges forecast included in the CGI contract. This review will consider the criticality of Council applications and infrastructure supported by these sub-contractors in comparison to divisional application and system recovery requirements and will ensure that the gaps noted in the CNT spreadsheet in relation to missing contractors; expired purchase orders; and criticality of applications have been addressed. Where the review highlights any significant changes, the outcomes will be provided to the relevant Council and CGI partnership governance forums together with a request that CGI implements the supplier management arrangements specified in the contract to any new key sub-contractors. Review of CGI sub-contractors will be scheduled for completion annually, and the process outlined above applied.	Estimated Date: 30/04/2020 Revised Date: 01/01/2021 No of Revisions 1	Alison Roarty Heather Robb Jackie Galloway Layla Smith Michelle Vanhegan Nicola Harvey

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
46	Digital Services Incident and Problem Management RES1907 Incident and Problem Management: Issue 1 - Next steps for incident resolution Stephen Moir, Executive Director of Resources	Low	RES1907 Recommendation 1.1.1 - Incident Reports **Implemented**	Agreed – updates will be provided into the problem management records that feed into the Problem Review Board.	**Estimated Date: 31/12/2020 Revised Date:** **No of Revisions 0**	Alison Roarty Heather Robb Jackie Galloway Layla Smith Michelle Vanhegan Nicola Harvey Richard Burgess
47	Digital Services Incident and Problem Management RES1907 Incident and Problem Management: Issue 1 - Next steps for incident resolution Stephen Moir, Executive Director of Resources	Low	RES1907 Recommendation 1.1.2 - Partnership Board and Client Service Reports **Implemented**	Agreed – the Client Service reports, and Partnership Board documents will be amended in relation to problem records to make reference to updates of the problem records being recorded in the Problem Review Board input.	**Estimated Date: 31/12/2020 Revised Date:** **No of Revisions 0**	Alison Roarty Heather Robb Jackie Galloway Layla Smith Michelle Vanhegan Nicola Harvey Richard Burgess
48	Social Media - Controls over access to SM Accounts 3. Social media training Michael Pinkerton, Media Manager	Medium	CE1901 Rec3.3 Ongoing delivery of social media training **Implemented**	Strategy and Communications will engage with Human Resources to ask that face to face social media training is advertised through the Council's e learning (CECil) programme with courses made available at an appropriate frequency, and confirm whether there is scope for courses within the available budget.	**Estimated Date: 29/01/2021 Revised Date:** **No of Revisions 0**	David Ure Donna Rodger

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
49	Local Development Plan Governance arrangements over infrastructure appraisals Paul Lawrence, Executive Director of Place and SRO	**Medium**	Infrastructure Governance arrangements **Implemented**	Establish and agree appropriate roles, resources and the responsibilities for delivery the above matters as an early action in the project plan for LDP 2. Oversight will be provided by the Project Board to ensure that all individual appraisals performed across Service Areas have applied these recommendations. (sept 18)	**Estimated Date: 31/03/2018 Revised Date: 01/10/2020 No of Revisions 2**	Alison Coburn Claire Duchart David Leslie David Givan George Gaunt Kate Hopper Michael Thain Sandra Harrison
50	Planning and S75 Developer Contributions End to end developer contribution processes, procedures, and training Paul Lawrence, Executive Director of Place and SRO	**High**	PL 1802 Iss 2 Rec 2.1 process documentation, guidance, and standardised documentation **Implemented**	Planning is working with Finance and Legal Service on a number of key areas of the end to end process. Significant progress has been made including; the pilot and use of a transport officer proforma, to identify and detail infrastructure requirements: and the introduction of standard legal agreements. Planning continues to work with legal services to finalise developer contribution templates for planning officers and this will inform a standardised approach to key consultee infrastructure requests. All Internal Audit recommendations will be implemented as detailed above (with the exception of 3), with Planning leading the process. As an alternative to IA recommendation 3, the rationale detailing why either no agreement; or a section 69 or 75 agreement has been developed and applied, will be documented.	**Estimated Date: 31/03/2020 Revised Date: 01/08/2020 No of Revisions 0**	Alison Coburn Alison Henry Annette Smith Bruce Nicolson David Leslie David Givan George Gaunt Graham Nelson Hugh Dunn Kevin McKee Michael Thain Michelle Vanhegan Nick Smith Rebecca Andrew

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
51	Drivers Recording and addressing driving incidents Paul Lawrence, Executive Director of Place and SRO	**Medium**	Recording and addressing driving incidents **Implemented**	Six monthly reporting will be provided to the Corporate Leadership Team together with details of relevant actions taken.	**Estimated Date:01/10/2019 Revised Date:01/12/2020 No of Revisions 1**	Adam FergieAlison CoburnClaire DuchartDavid GivanGareth BarwellGeorge GauntKaty MillerMartin YoungNicole FraserScott MillarSteven Wright
52	Portfolio Governance Framework CE1801 Issue 1: Project and portfolio management and scrutiny Gillie Severin, Strategic Change Delivery Manager	**High**	CE1801 Issue 1.4: Whole of life toolkit Pending	Strategic Change and Delivery will include guidance for project managers on whole life costing based on the approach adopted by finance	**Estimated Date: 29/05/2020 Revised Date: 01/10/2020 No of Revisions 0**	Alison Henry Annette Smith Donna Rodger Hugh Dunn Rebecca Andrew Simone Hislop
53	Social Media - Controls over access to SM Accounts 1. Social media operational framework Michael Pinkerton, Media Manager	**High**	CE1901 Rec1.5 Social Media Risks Pending	The risks associated with the ongoing use of social media that are highlighted in this report will be assessed and recorded in the Strategy and Communications risk register together with details of mitigating actions to ensure that they are addressed.	**Estimated Date: 30/10/2020 Revised Date: No of Revisions 0**	David Ure Donna Rodger

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
54	Social Media - Controls over access to SM Accounts 3. Social media training Michael Pinkerton, Media Manager	**Medium**	CE1901 Rec3.2 Refresh of social media training materials Pending	1. Existing training materials and the e learning module content will be reviewed and refreshed with support from Human Resources (where required) to ensure that it is aligned with applicable legislation and regulations. 2. The e learning module will be updated to ensure that sufficient information is provided prior to testing and that correct answers are provided to incorrect responses. 3. Ownership of the content of the social media e learning model will be agreed between Strategy and Communications and Human Resources.	**Estimated Date: 25/01/2021 Revised Date:** **No of Revisions 0**	David Ure Donna Rodger

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
55 Page 77	Policy Management Framework CE1902 Policy Management Framework Issue 1: Completeness and accuracy of Council policies and the online policy register Paul Lawrence, Executive Director of Place and SRO	**High**	CE1902 - 1.2b Policy Register review: Initial review of online policy register – Place Pending	Following receipt of the Directorate policy register extract provided by Strategy and Communications, each Directorate will perform an initial review of their section of the policy register to identify out of date and draft documents. A status update will be provided to Strategy and Communications for each document currently published online, to confirm whether the published version is the most up to date approved version and no immediate action is required. is out of date but has been recently reviewed and reported to Committee in the annual policy assurance statement – a copy of the most recent version held by the Directorate or Division will then be sent to by Strategy and Communications for publication on the current online register. is out of date or in draft with no recently approved version available. Strategy and Communications will then remove the current online version from the online policy register and note that the document is being reviewed. Strategy and Communications will update the current online policy register on the basis of returns and Directorates will commence their wider policy review set out at 1.2d.	**Estimated Date: 31/01/2021 Revised Date:** **No of Revisions 0**	Alison Coburn David Givan Gareth Barwell George Gaunt Lynne Halfpenny Michael Thain Veronica Wishart

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
56	Policy Management Framework CE1902 Policy Management Framework Issue 3: Policy framework guidance Gavin King, Democracy, Governance and Resilience Senior Manager	**Medium**	CE1902 3.1a Policy framework – definitions for policies, procedures, and guidance Pending	Clear definitions will be established for policies; procedures; and guidance and will reflect that policies outline the Council's response to legislation; regulations and statutory requirements, specifying what the Council will do to ensure compliance, whilst procedures and guidance detail how policy objectives will be achieved. The definitions will be agreed by the Corporate Leadership Team and The Policy and Sustainability Committee and will be communicated across all Council Directorates and Divisions.	**Estimated Date: 31/10/2020 Revised Date: 01/03/2021 No of Revisions 0**	Beth Hall Donna Rodger Kevin Wilbraham Laura Callender
57	Policy Management Framework CE1902 Policy Management Framework Issue 3: Policy framework guidance Gavin King, Democracy, Governance and Resilience Senior Manager	**Medium**	CE1902 3.1b Policy framework - First- and second-lines roles and responsibilities Pending	Following the outcomes of the Working Group (see recommendation 1.2c), First line (directorate) and second line (Strategy and Communications) roles and responsibilities in relation to the policy management framework and confirmation of its ongoing application will be communicated across Directorates and Divisions and included in the guidance published on the Orb.	**Estimated Date: 31/10/2020 Revised Date: 01/03/2021 No of Revisions 0**	Donna Rodger Laura Callender
58	Policy Management Framework CE1902 Policy Management Framework Issue 3: Policy framework guidance Gavin King, Democracy, Governance and	**Medium**	CE1902 3.1c Policy framework - review of guidance, templates and orb pages Pending	Guidance and supporting templates on the Orb will be reviewed and refreshed to include links to agreed policy definitions and templates and the policy register and checks performed to confirm that these can be accessed.	**Estimated Date: 31/10/2020 Revised Date: 01/03/2021 No of Revisions 0**	Laura Callender

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
	Resilience Senior Manager					
59	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 1: Policies, Procedures & Guidance Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901: Issue 1.3(a) - Review of Operational Forms Pending	The remit of the working group led by the Communities and Families Senior Education Officer will include a review of all admissions forms published on the Council website and Orb to ensure that they remain fit for purpose and include all necessary accessibility and privacy statements.	**Estimated Date: 31/12/2020 Revised Date: 01/05/2021 No of Revisions 0**	Alison Roarty Arran Finlay Layla Smith Michelle Vanhegan Neil Jamieson Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir
60	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 1: Policies, Procedures & Guidance Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901: Issue 1.3(b) - Online Application Form Pending	Development of a single online application form will be led by Customer Transactions Team as discussions already underway with internal automation team and Transactions have successfully introduced online applications in other areas of the business.	**Estimated Date:31/12/2020 Revised Date:01/05/2021 No of Revisions 0**	Alison Roarty Arran Finlay Layla Smith Michelle Vanhegan Neil Jamieson Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
61	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 1: Policies, Procedures & Guidance Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901: Issue 1.3(c) - Issue of 'Request Granted' Letters Pending	The working group remit led by the Communities and Families Senior Education Officer will include consideration of continued need for formal 'request granted template letters or whether an email to parents / guardians is an acceptable alternative option. Where emails are the preferred option, guidance will be provided to schools to ensure that the terms and limitations of the placement offer are included.	**Estimated Date: 31/12/2020** **Revised Date: 01/05/2021** **No of Revisions 0**	Alison Roarty Arran Finlay Layla Smith Michelle Vanhegan Neil Jamieson Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir
62	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 1: Policies, Procedures & Guidance Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901: Issue 1.3(d) - Issuing Standard Letters & Forms Pending	A communication will be issued by Schools and Life Long Learning management to all schools reminding them to comply with placing request processes as outlined on the Orb, including the requirement to: issue a standard request refusal letter for all application refusals which includes all required paragraphs and is supported by a copy of the frequently asked questions document; and use standard Council forms only. The communication will advise schools to provide feedback where standard forms are not considered to meet the needs of the school, for example, if an additional section for course subjects studied at secondary school is required. Feedback from schools will be considered as part of the working group's review of operational forms.	**Estimated Date: 31/12/2020** **Revised Date: 01/05/2021** **No of Revisions 0**	Arran Finlay Claire Thompson Michelle McMillan Nickey Boyle Ruth Currie

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
63	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 2: Operational Processes - Admissions & Appeals Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901 Issue 2.1(a): Committee on Pupil Student Support Recording of Officer Review Pending	Communities and Families, Committee Services and Transactions will ensure the officer review of the annual placing request list and the rationale supporting recommendations made to the Committee on Pupil Student Support from 2020 onwards is formally documented.	**Estimated Date: 30/06/2020 Revised Date: 22/02/2021 No of Revisions 1**	Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Michelle Vanhegan Neil Jamieson Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir
64	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 2: Operational Processes - Admissions & Appeals Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901 Issue 2.3(a): Validation of Registration & Enrolment Applications Pending	A reminder will be sent to all schools to reinforce the requirement to confirm that adequate and valid evidence is provided to support all registrations and enrolments, including two matching proofs of address aligned with the address provided in the application.	**Estimated Date: 30/06/2020 Revised Date: 22/02/2021 No of Revisions 1**	Arran Finlay Claire Thompson Michelle McMillan Nickey Boyle Ruth Currie
65	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 2: Operational Processes - Admissions & Appeals Andy Gray, Head of	**High**	CF1901 Issue 2.3(b): Quality Assurance Checks in Schools Pending	Schools business managers will be instructed to undertake sample quality assurance checks of evidence obtained from parents to support applications to ensure compliance with procedures. This will include completion of checks prior to completion of enrolment processes. Checking of completion will form part of the Communities and Families Self-	**Estimated Date: 30/06/2020 Revised Date: 22/02/2021 No of Revisions 1**	Arran Finlay Claire Thompson Michelle McMillan Nickey Boyle Ruth Currie

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
	Schools & Lifelong Learning	**High**		Assurance Framework from 2021 onwards.		
66	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 2: Operational Processes - Admissions & Appeals Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901 Issue 2.4: Managing Conflicts of Interest Pending	Guidance will be developed for use in all schools to ensure any conflicts of interest are recorded and managed appropriately. This will include Business Manager review and Head Teacher sign off where necessary.	**Estimated Date: 30/06/2020 Revised Date: 22/02/2021 No of Revisions 1**	Arran Finlay Claire Thompson Michelle McMillan Nickey Boyle Ruth Currie
67	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 4: Data Access, Security & Retention Andy Gray, Head of Schools & Lifelong Learning	**Medium**	CF1901: Issue 4.1: Access to Personal Data Pending	Files and shared folders will be reviewed, and appropriate access permissions and password controls implemented.	**Estimated Date: 31/07/2020 Revised Date: 22/02/2021 No of Revisions 1**	Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Michelle Vanhegan Neil Jamieson Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
68	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 4: Data Access, Security & Retention Andy Gray, Head of Schools & Lifelong Learning	**Medium**	CF1901: Issue 4.2: Secure Email Transmission Pending	The Information Governance Unit and Digital Services will be engaged to discuss the recipients; nature and sensitivity of information transmitted via email to establish whether the current method is appropriately secure or whether additional steps are required. This will include consideration of email data classification labels where deemed appropriate.	**Estimated Date: 30/09/2020 Revised Date: 01/02/2021 No of Revisions 0**	Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Michelle Vanhegan Neil Jamieson Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir
Page 83 59	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 4: Data Access, Security & Retention Andy Gray, Head of Schools & Lifelong Learning	**Medium**	CF1901: Issue 4.4(b): Document Retention & Disposal; Schools Pending	A communication will be issued to schools to request that retention schedules and destruction logs are established to ensure records are managed and disposed of in line with the Council's retention schedule.	**Estimated Date:30/06/2020 Revised Date:22/02/2021 No of Revisions 1**	Arran FinlayClaire ThompsonMichelle McMillanNickey BoyleRuth Currie
70	PVG and Disclosures CF1904: Issue 1 - PVG membership for individuals in schools Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1904: Rec 1.2c - Monitoring volunteers who are employees Pending	A communication will be issued by Communities and Families to Active Schools to advise that a 'Short Scheme Record' is required for all volunteers who are City of Edinburgh employees. In addition, Communities and Families seek written assurance from Active Schools, on a six-monthly basis to confirm that all volunteers who carry out regulated work within schools	**Estimated Date: 31/12/2020 Revised Date: No of Revisions 0**	Claire Thompson Michelle McMillan Nickey Boyle

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
		RED		have a current PVG scheme membership.	RED	
71	Emergency Prioritisation & Complaints CW1806 Issue 1: ATEC 24 Operational Framework Judith Proctor, Chief Officer	**Medium**	CW1806 Issue 1.1(7): ATEC 24 Review of Operational Processes - Key Safes Pending	7. The key safe business case, or an alternative approach, will be progressed and an installation programme implemented to allow the numbers of individual safes to be maximised.	**Estimated Date: 30/04/2020 Revised Date: 01/05/2021 No of Revisions 1**	Angela Ritchie Craig ODonnell Tom Cowan
72	Emergency Prioritisation & Complaints CW1806 Issue 1: ATEC 24 Operational Framework Judith Proctor, Chief Officer	**Medium**	CW1806 Issue 1.4(3): ATEC 24 Quality Assurance Framework - Review Pending	3. Where systemic themes or trends are identified from quality assurance reviews, management will consider whether existing operational processes should be revisited.	**Estimated Date: 30/04/2020 Revised Date: 01/05/2021 No of Revisions 1**	Angela Ritchie Craig ODonnell Tom Cowan
73	Brexit impacts - supply chain management CW1905 Issue 1: Divisional and Directorate Brexit supply chain management risks Jackie Irvine, Chief Social Work Officer & Head of Safer & Stronger Communities	**Medium**	CW1905 Rec. 1.1c: Communities and Families - Divisional and directorate supply chain management Pending	As discussed and agreed at the Corporate Leadership Team (CLT) on 29th July 2020, these findings will be implemented as recommended by Internal Audit and in line with an earlier CLT decision (8 July 2020) that the most significant corporate concurrent risks (including Brexit supply chain risks) that could potentially impact the Council will be identified by October 2020. It is acknowledged that divisional and directorate supply chain risks will need to be identified to support this process.	**Estimated Date: 30/10/2020 Revised Date: No of Revisions 0**	Andy Gray Bernadette Oxley Crawford McGhie Michelle McMillan Nichola Dadds Nickey Boyle

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
74	Brexit impacts - supply chain management CW1905 Issue 1: Divisional and Directorate Brexit supply chain management risks Gavin King, Democracy, Governance and Resilience Senior Manager	**Medium**	CW1905 Rec. 1.1e: Strategy and Communications - Divisional and directorate supply chain management Pending	As discussed and agreed at the Corporate Leadership Team (CLT) on 29th July 2020, these findings will be implemented as recommended by Internal Audit and in line with an earlier CLT decision(8 July 2020) that the most significant corporate concurrent risks (including Brexit supply chain risks) that could potentially impact the Council will be identified by October 2020. It is acknowledged that divisional and directorate supply chain risks will need to be identified to support this process.	**Estimated Date: 30/10/2020 Revised Date:** **No of Revisions 0**	Andy Nichol Donna Rodger Gillie Severin Michael Pinkerton Paula McLeay

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
75	Brexit impacts - supply chain management CW1905 Issue 2: Brexit governance and risk management Andrew Kerr, Chief Executive	**Medium**	CW1905- Recom. 2.1a: Resilience team - Adequacy & effectiveness of the Brexit risk management & governance process Pending	Resilience presented a report on Brexit planning, preparedness and governance to the Corporate Leadership Team on 8 July and will subsequently be presented to the Policy and Sustainability Committee. This includes proposals for the cessation of the cross-party Brexit working group, with all Brexit resilience planning taken forward through the Council resilience group. The paper also proposes that the Council Incident Management Team (CIMT) considers Brexit alongside Covid-19 and includes Brexit as a standing item on CIMT agendas from September 2020. Once approved by the Policy and Sustainability Committee, these new governance arrangements will be implemented. Resilience will coordinate review of the corporate Brexit risk register, in conjunction with the Commercial and Procurement Service and Corporate Risk Management teams for consideration at the CLT risk committee.	**Estimated Date: 30/09/2020 Revised Date:** **No of Revisions 0**	Donna Rodger Gavin King Mary-Ellen Lang
76	Validation Review 2019/20 CW1909 Issue 2: Communities and Families – Complaints received by Helpline Andy Gray, Head of Schools & Lifelong Learning	**Medium**	CW1909 Recommendation 2.1.3 - Development and communication of complaints handling guidance Pending	3. Complaint handling procedures and guidance will be developed and maintained and shared with all relevant team members as recommended.	**Estimated Date: 31/01/2021 Revised Date:** **No of Revisions 0**	Claire Thompson Michelle McMillan Nickey Boyle

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
77	Road Services Improvement Plan PL1808 Issue 1. Roads Improvement Plan financial operating model and project governance Paul Lawrence, Executive Director of Place and SRO	**High**	PL1808 - 1.3 Roads Service Improvement Plan project governance Pending	Accepted. The re-based plan will be managed in line with the Project Management Toolkit for Major Projects. The plan will be managed by the Roads service Performance Coordinator once appointed in the revised structure.	**Estimated Date: 20/12/2020 Revised Date: 01/05/2021 No of Revisions 0**	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Nicole Fraser
78	Supplier Management Framework and CIS Payments RES1809 Issue 1: Contract Management by Directorates and Service Areas Paul Lawrence, Executive Director of Place and SRO	**High**	RES1809 Issue 1.3(3): Contract manager support and guidance - Place Pending	Place This recommendation is accepted, and this will be added as appropriate to the Place mandatory training matrix at the next review.	**Estimated Date: 31/08/2020 Revised Date: 01/01/2021 No of Revisions 0**	Alison Coburn David Givan Gareth Barwell George Gaunt Lynne Halfpenny Michael Thain

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
79	Budget Setting and Management RES 1903 Issue 1: Savings proposals documentation and risk assessments Gillie Severin, Strategic Change Delivery Manager	**Medium**	RES 1903 Issue 1.1: Savings proposals documentation and risk assessments Pending	1. Savings plan and business case templates will both be reviewed to ensure that they align to major projects documentation. In addition, a procedural document will be created which details the amount and depth of documentation, which is required to support savings plans, based on outcomes of the prioritisation matrix assessment. 2. The Finance budget monitoring RAG (Red, Amber, Green) delivery risk assessment categories will each be formally defined, and consistently applied to all savings delivery progress updates provided to Directorate management teams, CLT, and service committees.	**Estimated Date:30/09/2020 Revised Date:01/02/2021 No of Revisions 0**	Alison HenryAnnette SmithDonna RodgerEmma BakerHugh DunnJohn ConnartyLayla SmithMichelle Vanhegan
80	Budget Setting and Management RES 1903 Issue 3: Continuous improvement: Lessons learned and customer feedback. Paula McLeay, Policy and Insight Senior Manager	**Medium**	RES 1903 Issue 3.1: Annual budget setting lessons learned methodology Pending	A methodology for the lessons learned process will be developed and stated in a procedure document. This work will be performed through liaison between the Change Strategy Team and Finance. The methodology will include the requirements stated above.	**Estimated Date: 31/05/2020 Revised Date: 01/10/2020 No of Revisions 0**	Alison Henry Annette Smith Donna Rodger Emma Baker Hugh Dunn John Connarty Layla Smith Michelle Vanhegan

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
81	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 1: Policies, Procedures & Guidance Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901: Issue 1.1(b) - Review of Admissions Operational Procedures Started	A working group led by the Communities and Families Senior Education Officer with representation from all service areas involved in school admissions, appeals and capacity planning, will be established to undertake a review of all procedural documents. This will include consideration of amalgamation of existing procedures where appropriate and implementation of a review schedule and version control.	**Estimated Date: 31/08/2020 Revised Date: 22/02/2021 No of Revisions 1**	Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Matthew Clarke Michelle Vanhegan Neil Jamieson Nick Smith Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir
82	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 1: Policies, Procedures & Guidance Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901: Issue 1.1(c) - Placing Appeals Procedures Started	As part of the working group led by the Communities and Families Senior Education Officer, appeals procedures which detail end to end processes to be applied across all areas involved in placing requests will be established and this will include clear roles and responsibilities.	**Estimated Date: 31/08/2020 Revised Date: 22/02/2021 No of Revisions 1**	Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Matthew Clarke Michelle Vanhegan Neil Jamieson Nick Smith Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
83	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 1: Policies, Procedures & Guidance Andy Gray, Head of Schools & Lifelong Learning	**High**	CF1901: Issue 1.1(d)/(e) - Communicating Guidance on Website & Orb Started	Following review and completion of working group actions, all policies and procedures will be published on the Council's website and Orb, and communicated to all relevant officers, with changes highlighted.	**Estimated Date: 30/09/2020 Revised Date: 01/02/2021 No of Revisions 0**	Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Matthew Clarke Michelle Vanhegan Neil Jamieson Nick Smith Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir
84	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 2: Operational Processes - Admissions & Appeals Stephen Moir, Executive Director of Resources	**High**	CF1901 Issue 2.3(d): Sharing Outcomes of Annual Checks Started	Outcomes of annual checks that highlight any significant and systemic weaknesses will be shared with Schools and Lifelong Learning with a request that findings identified from the review are addressed and processes updated to ensure that they do not recur in subsequent years.	**Estimated Date: 30/11/2020 Revised Date: 01/04/2021 No of Revisions 0**	Alison Roarty Andy Gray Arran Finlay Jane MacIntyre Layla Smith Michelle Vanhegan Neil Jamieson Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
85	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 3: Process Documentation & Delivery Responsibilities Andy Gray, Head of Schools & Lifelong Learning	**Medium**	CF1901 Issue 3.1(a): Development & Communication of end to end processes and role/responsibilities Started	The remit of the working group led by the Communities and Families Senior Education Officer, will include reviewing and documenting end to end processes for the annual school admissions, appeals, and capacity planning process. A matrix describing divisional roles and responsibilities for processes, which details who will be responsible; accountable; consulted; and informed for each stage will also be developed. The end to end procedures and matrix will be discussed and agreed with all divisional teams involved in the process, communicated, and published on the Council's intranet (the Orb) with training provided where required.	**Estimated Date: 31/08/2020 Revised Date: 22/02/2021 No of Revisions 1**	Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Matthew Clarke Michelle Vanhegan Neil Jamieson Nick Smith Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
86	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 3: Process Documentation & Delivery Responsibilities Andy Gray, Head of Schools & Lifelong Learning	**Medium**	CF1901 Issue 3.1(b): Internal Partnership Protocols Started	Internal partnership protocols will be prepared and implemented for services delivered by other divisions on behalf of Schools and Lifelong Learning, incorporating the scope of services and roles and responsibilities defined in the new end to end process documentation. Where relevant, current internal charging arrangements will be reviewed to ensure that it accurately reflect the levels of support provided. Partnership protocols and associated key performance measures / indicators will be reviewed at least every two years to ensure they remain aligned with service delivery, operational processes and relevant regulatory and professional standards. Governance arrangements to support ongoing performance monitoring will be designed and implemented to ensure that both Schools and Lifelong Learning and the service areas that support them are satisfied with the quality of services provided.	**Estimated Date:31/08/2020 Revised Date: 22/02/2021** **No of Revisions** **1**	Alison RoartyArran FinlayDonna RodgerGavin KingHayley BarnettLayla SmithMatthew ClarkeMichelle VanheganNeil JamiesonNick SmithNickey BoyleNicola HarveyRuth CurrieSheila HaigStephen Moir
87	School admissions, appeals and capacity planning CF1901: School admissions, appeals and capacity planning - Issue 3: Process Documentation & Delivery Responsibilities Andy Gray, Head of	**Medium**	CF1901 Issue 3.1(c): Annual Process - Debrief & Lessons Learned Started	Following completion of the annual process, a debrief meeting will be held with all teams involved to understand what worked well and what areas need to be improved. The outcomes should be recorded in a 'lessons learned' document that is used to implement the improvement opportunities identified and address any process issues in advance of the next annual process.	**Estimated Date: 31/08/2020 Revised Date: 22/02/2021 No of Revisions 1**	Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Matthew Clarke Michelle Vanhegan Neil Jamieson Nick Smith Nickey Boyle Nicola Harvey Ruth Currie

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
	Schools & Lifelong Learning					Sheila Haig Stephen Moir
88	School admissions, appeals and capacity planning

CF1901: School admissions, appeals and capacity planning - Issue 3: Process Documentation & Delivery Responsibilities

Andy Gray, Head of Schools & Lifelong Learning | **Medium** | CF1901 Issue 3.1(d): Roles & Responsibilities Outwith Annual Process

Started | The working group will review the roles and responsibilities for any tasks performed outwith the annual P1/S1 admissions, appeals and capacity planning process. These will be documented and communicated to all teams involved in the process. The review will include identifying key contacts for common non-annual admissions queries, for example, home schooling; private schooling; dealing with refugees; and requests for current or future capacity information, to ensure that they can be appropriately redirected and resolved. | **Estimated Date: 31/08/2020 Revised Date: 22/02/2021 No of Revisions 3** | Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Matthew Clarke Michelle Vanhegan Neil Jamieson Nick Smith Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir |
| 89 | School admissions, appeals and capacity planning

CF1901: School admissions, appeals and capacity planning - Issue 4: Data Access, Security & Retention

Andy Gray, Head of Schools & Lifelong Learning | **Medium** | CF1901: Issue 4.4(a): Document Retention & Disposal; All Services

Started | The Information Governance Unit will be engaged to confirm data retention and disposal requirements. Where necessary the data retention schedule will be updated. Document retention and disposal requirements will be reinforced across all services processing admissions and appeals including schools. All appeals information currently retained outwith the relevant period will be destroyed in line with the Council's disposal guidelines and a retention schedule and destruction log maintained. | **Estimated Date: 30/06/2020 Revised Date: 22/02/2021 No of Revisions 1** | Alison Roarty Arran Finlay Donna Rodger Gavin King Hayley Barnett Layla Smith Michelle Vanhegan Neil Jamieson Nickey Boyle Nicola Harvey Ruth Currie Sheila Haig Stephen Moir |

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
90	Resilience BC Resilience responsibilities Judith Proctor, Chief Officer	High	Rec 3.3 H&SC - Defining and allocating operational resilience duties Started	Operational resilience responsibilities for completion and ongoing maintenance of Directorate and Service Area Business Impact Assessments; Resilience plans; and coordination of resilience tests in conjunction with the Resilience team will be clearly defined and allocated. The total number of employees with operational resilience responsibilities will be determined with reference to the volume of business impact assessments and resilience plans that require to be completed and maintained to support recovery of critical services.	**Estimated Date: 20/12/2018 Revised Date: 30/06/2021 No of Revisions 6**	Angela Ritchie Jacqui Macrae
91	Resilience BC Resilience responsibilities Judith Proctor, Chief Officer	High	Rec 4.3 H&SC - Objectives for operational Resilience responsibilities Started	Corporate; management; and team member objectives for operational resilience responsibilities (for example completion of Service Area Business Impact Assessments; Resilience Plans; and coordination of Resilience tests) will be established, with ongoing oversight performed by Directors and Heads of Service to confirm that these are being effectively delivered to support the resilience responses included in both the Directorate and Council's annual governance statements.	**Estimated Date: 31/07/2019 Revised Date: 30/06/2021 No of Revisions 2**	Angela Ritchie Jacqui Macrae
92	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements	High	Rec 3.1 a) Place - Development of Resilience Plans/protocols for statutory and critical services	Rebased action October 2020Following a refresh of Business Impact Assessments and the new organisational structure, resilience plans/protocols will be developed, with support and training from Resilience, for high-risk essential services. A list of	**Estimated Date: 19/06/2020 Revised Date: 31/12/2022 No of Revisions 1**	Alison Coburn Claire Duchart David Givan Gareth Barwell Gavin King George Gaunt Lynne Halfpenny

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
	Paul Lawrence, Executive Director of Place and SRO	High	Started	these services is to be provided by Resilience for approval by CLT. Date revised to 31 December 2022.		Mary-Ellen Lang Michael Thain
93	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Stephen Moir, Executive Director of Resources	High	Rec 3.1b Resources - Development of Resilience Plans/protocols for statutory and critical services Started	Rebased action October 2020Following a refresh of Business Impact Assessments and the new organisational structure, resilience plans/protocols will be developed, with support and training from Resilience, for high-risk essential services. A list of these services is to be provided by Resilience for approval by CLT. Date revised to 31 December 2022.	**Estimated Date: 19/06/2020 Revised Date: 31/12/2022 No of Revisions 1**	Annette Smith Gavin King Hugh Dunn Katy Miller Layla Smith Mary-Ellen Lang Michelle Vanhegan Nick Smith Nicola Harvey Peter Watton
94	Resilience BCCompletion and adequacy of service area business impact assessments and resilience arrangementsJudith Proctor, Chief Officer	High	Rec 3.1c H&SC - Development of Resilience Plans/protocols for statutory and critical servicesStarted	Rebased action October 2020Following a refresh of Business Impact Assessments and the new organisational structure, resilience plans/protocols will be developed, with support and training from Resilience, for high-risk essential services. A list of these services is to be provided by Resilience for approval by CLT. Date revised to 31 December 2022.	**Estimated Date:19/06/2020 Revised Date:31/12/2022 No of Revisions 1**	Angela RitchieJacqui Macrae
95	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Jackie Irvine, Chief Social Work Officer & Head of Safer & Stronger Communities	High	Rec 3.1d C&F - Development of Resilience Plans/protocols for statutory and critical services Started	Rebased action October 2020Following a refresh of Business Impact Assessments and the new organisational structure, resilience plans/protocols will be developed, with support and training from Resilience, for high-risk essential services. A list of these services is to be provided by Resilience for approval by CLT. Date revised to 31 December 2022.	**Estimated Date: 19/06/2020 Revised Date: 31/12/2022 No of Revisions 1**	Donna Rodger Gavin King Mary-Ellen Lang Michelle McMillan Nichola Dadds Nickey Boyle Ruth Currie

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
96	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Gavin King, Democracy, Governance and Resilience Senior Manager	**High**	Rec 3.1e S&C - Development of Resilience Plans/protocols for statutory and critical services Started	Rebased action October 2020Following a refresh of Business Impact Assessments and the new organisational structure, resilience plans/protocols will be developed, with support and training from Resilience, for high-risk essential services. A list of these services is to be provided by Resilience for approval by CLT. Date revised to 31 December 2022.	**Estimated Date: 19/06/2020 Revised Date: 31/12/2022 No of Revisions 1**	Donna Rodger Mary-Ellen Lang
Page 96 97	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Paul Lawrence, Executive Director of Place and SRO	**High**	Rec 6.1a Place - Review of third-party contracts to confirm appropriate resilience arrangements Started	Existing third-party contracts supporting critical services should be reviewed by Directorates in consultation with contract managers / owners to confirm that they include appropriate resilience arrangements. Where gaps are identified, Procurement Services should be engaged to support discussions with suppliers regarding inclusion of appropriate resilience clauses requiring third parties to establish adequate resilience arrangements for both services and systems that are tested (at least annually) with the outcomes shared with / provided to the Council. Where these changes cannot be incorporated into existing contracts, they should be included when the contracts are re tendered.	**Estimated Date: 20/12/2019 Revised Date: 31/03/2021 No of Revisions 3**	Alison Coburn Annette Smith Claire Duchart David Givan Gareth Barwell George Gaunt Hugh Dunn Iain Strachan Lynne Halfpenny Mary-Ellen Lang Michael Thain Mollie Kerr

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
98	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Stephen Moir, Executive Director of Resources	**High**	Rec 6.1b Resources - Review of third-party contracts to confirm appropriate resilience arrangements Started	Existing third-party contracts supporting critical services should be reviewed by Directorates in consultation with contract managers / owners to confirm that they include appropriate resilience arrangements. Where gaps are identified, Procurement Services should be engaged to support discussions with suppliers regarding inclusion of appropriate resilience clauses requiring third parties to establish adequate resilience arrangements for both services and systems that are tested (at least annually) with the outcomes shared with / provided to the Council. Where these changes cannot be incorporated into existing contracts, they should be included when the contracts are re tendered.	**Estimated Date: 20/12/2019 Revised Date: 31/03/2021 No of Revisions 2**	Annette Smith Hugh Dunn Iain Strachan Katy Miller Layla Smith Mary-Ellen Lang Michelle Vanhegan Mollie Kerr Nick Smith Nicola Harvey Peter Watton

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
99	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Judith Proctor, Chief Officer	**High**	Rec 6.1c H&SC - Review of third-party contracts to confirm appropriate resilience arrangements Started	Existing third-party contracts supporting critical services should be reviewed by Directorates in consultation with contract managers / owners to confirm that they include appropriate resilience arrangements. Where gaps are identified, Procurement Services should be engaged to support discussions with suppliers regarding inclusion of appropriate resilience clauses requiring third parties to establish adequate resilience arrangements for both services and systems that are tested (at least annually) with the outcomes shared with / provided to the Council. Where these changes cannot be incorporated into existing contracts, they should be included when the contracts are re tendered.	**Estimated Date: 20/12/2019 Revised Date: 31/03/2021 No of Revisions 2**	Angela Ritchie Jacqui Macrae

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
100	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Jackie Irvine, Chief Social Work Officer & Head of Safer & Stronger Communities	**High**	Rec 6.1d C&F - Review of third-party contracts to confirm appropriate resilience arrangements Started	Existing third-party contracts supporting critical services should be reviewed by Directorates in consultation with contract managers / owners to confirm that they include appropriate resilience arrangements. Where gaps are identified, Procurement Services should be engaged to support discussions with suppliers regarding inclusion of appropriate resilience clauses requiring third parties to establish adequate resilience arrangements for both services and systems that are tested (at least annually) with the outcomes shared with / provided to the Council. Where these changes cannot be incorporated into existing contracts, they should be included when the contracts are re tendered.	**Estimated Date: 20/12/2019 Revised Date: 31/03/2021 No of Revisions 2**	Annette Smith Hugh Dunn Iain Strachan Mary-Ellen Lang Michelle McMillan Mollie Kerr Nichola Dadds Nickey Boyle Ruth Currie

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
101	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Gavin King, Democracy, Governance and Resilience Senior Manager	**High**	Rec 6.1e S&C - Review of third-party contracts to confirm appropriate resilience arrangements Started	Existing third-party contracts supporting critical services will be reviewed by Directorates in consultation with contract managers / owners to confirm that they include appropriate resilience arrangements. Where gaps are identified, Procurement Services will be engaged to support discussions with suppliers regarding inclusion of appropriate resilience clauses requiring third parties to establish adequate resilience arrangements for both services and systems that are tested (at least annually) with the outcomes shared with / provided to the Council. Where these changes cannot be incorporated into existing contracts, they will be included when the contracts are re tendered and critical service plans should be documented andcommunicated by Corporate Resilience.	**Estimated Date:20/12/2019 Revised Date:31/03/2021 No of Revisions: 2**	Annette SmithDonna RodgerHugh DunnIain StrachanMary-Ellen LangMollie Kerr

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
102	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Paul Lawrence, Executive Director of Place and SRO	**High**	Rec 6.2a Place - Annual assurance from Third Party Providers Started	Following receipt of initial assurance from all third-party providers for statutory and critical services (as per rec 6.1), annual assurance that provider resilience plans remain adequate and effective should be obtained. This should include confirmation from the provider that they have tested these plans and recovery time objectives for systems and recovery time and point objectives for technology systems agreed with the Council were achieved. It is recommended that contract managers include this requirement as part on ongoing contract management arrangements. Where this assurance cannot be provided, this should be recorded in Service Area and Directorate risk registers. Date revised to reflect that following receipt of initial assurance by 31 March 2021, annual assurance should be obtained by 31 March 2022.	**Estimated Date: 28/06/2019 Revised Date: 31/03/2022 No of Revisions 3**	Alison Coburn Claire Duchart David Givan Gareth Barwell George Gaunt Lynne Halfpenny Mary-Ellen Lang Michael Thain

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
103 Page 102	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Stephen Moir, Executive Director of Resources	High	Rec 6.2b Resources - Annual assurance from Third Party Providers Started	Following receipt of initial assurance from all third party providers for statutory and critical services (as per rec 6.1), annual assurance that provider resilience plans remain adequate and effective should be obtained. This should include confirmation from the provider that they have tested these plans and recovery time objectives for systems and recovery time and point objectives for technology systems agreed with the Council were achieved. It is recommended that contract managers include this requirement as part on ongoing contract management arrangements. Where this assurance cannot be provided, this should be recorded in Service Area and Directorate risk registers. Date revised to reflect that following receipt of initial assurance by 31 March 2021, annual assurance should be obtained by 31 March 2022.	**Estimated Date: 28/06/2019** **Revised Date: 31/03/2022** **No of Revisions 2**	Annette Smith Hugh Dunn Iain Strachan Katy Miller Layla Smith Mary-Ellen Lang Michelle Vanhegan Mollie Kerr Nick Smith Nicola Harvey Peter Watton

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
104	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Judith Proctor, Chief Officer	High	Rec 6.2c H&SC - Annual assurance from Third Party Providers Started	Assurance will be obtained annually for statutory and critical services from third party service providers that their resilience plans remain adequate and effective; and have been tested to confirm that the recovery time objectives for systems and recovery time and point objectives for technology systems agreed with the Council were achieved. Where this assurance cannot be provided, this will be recorded in Service Area and Directorate risk registers.	**Estimated Date: 21/06/2019** **Revised Date: 31/03/2022** **No of Revisions 2**	Angela Ritchie Jacqui Macrae

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
105 Page 104	Resilience BC Completion and adequacy of service area business impact assessments and resilience arrangements Jackie Irvine, Chief Social Work Officer & Head of Safer & Stronger Communities	High	Rec 6.2d C&F - Annual assurance from Third Party Providers Started	Following receipt of initial assurance from all third party providers for statutory and critical services (as per rec 6.1), annual assurance that provider resilience plans remain adequate and effective should be obtained. This should include confirmation from the provider that they have tested these plans and recovery time objectives for systems and recovery time and point objectives for technology systems agreed with the Council were achieved. It is recommended that contract managers include this requirement as part on ongoing contract management arrangements. Where this assurance cannot be provided, this should be recorded in Service Area and Directorate risk registers. Date revised to reflect that following receipt of initial assurance by 31 March 2021, annual assurance should be obtained by 31 March 2022.	**Estimated Date: 28/06/2019 Revised Date: 31/03/2022 No of Revisions 2**	Anna Gray Mary-Ellen Lang Michelle McMillan Nichola Dadds Nickey Boyle

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
106	Resilience BC

Completion and adequacy of service area business impact assessments and resilience arrangements

Gavin King, Democracy, Governance and Resilience Senior Manager | **High** | Rec 6.2e S&C - Annual assurance from Third Party Providers

Started | Following receipt of initial assurance from all third partyproviders for statutory and critical services (as per rec 6.1), annualassurance that provider resilience plans remain adequate and effective should beobtained. This should includeconfirmation from the provider that they have tested these plans and recoverytime objectives for systems and recovery time and point objectives fortechnology systems agreed with the Council were achieved. It is recommended that contract managers include thisrequirement as part on ongoing contract management arrangements. Where this assurance cannot be provided, this should berecorded in Service Area and Directorate risk registers. Date revised to reflect that following receipt of initialassurance by 31 March 2021, annual assurance should be obtained by 31 March2022. | **Estimated Date:28/06/2019 Revised Date:31/03/2022 No of Revisions 2** | Donna RodgerMary-Ellen Lang |
| 107 | Resilience BC

Adequacy, maintenance and approval of Council wide resilience plans

Gavin King, Democracy, Governance and Resilience Senior Manager | **Medium** | Rec 4) Update of Council Business Continuity Plan to include key elements from Business Area Resilience Plans/Protocols

Started | The Council Business Continuity Plan (BCP) was developed and signed off the Chief Executive in May 2019.Following Directorate review and update of Business Area Resilience Plans and protocols, the Council BCP will be updated to include key elements of Directorate plans. | **Estimated Date: 18/12/2020 Revised Date: 31/03/2024 No of Revisions 1** | Donna Rodger Mary-Ellen Lang |

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page106	Records Management - LAAC CW1705 Issue 1: Project file review process Bernadette Oxley, Head of Children's Services	**Medium**	CW1705 Issue 1.3: Quality assurance checks Started	Project management information will be monitored weekly to identify the volume of files that have been reviewed by the project team and an independent risk based quality assurance approach developed and implemented that focuses on files that have not been 'split' by the project team, to confirm that they have been accurately classified as files that have not been merged prior to their return to Iron Mountain for archiving. Quality assurance sample sizes will be selected at the start of each week and will depend on the volumes of files reviewed by the project team and the relevant proportion of non-merged and merged files. Where merged files have been identified and split by the project team, a lighter touch approach involving peer reviews will be adopted to ensure that the project file review process has been consistently applied and appropriate actions implemented. Quality assurance outcomes will be recorded and all significant errors (for example failure to identify merged files), areas of good practices, and areas for improvement will be shared with the project team. Availability of quality resource will be monitored throughout the project to ensure that it remains adequate to complete an appropriate number of QA reviews based on file outcomes. A retrospective sample of cases already reviewed by the project team will also be selected for retrospective review	**Estimated Date: 31/03/2020 Revised Date: 31/03/2022 No of Revisions 4**	Alison Roarty Ani Barclay Donna Rodger Freeha Ahmed Gillie Severin John Arthur Louise McRae Nickey Boyle Nicola Harvey Ruth Currie Stephen Moir

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
				based on the approach outlined above. The project team will work to an end of February date for implementation of quality assurance within the project team with an end of March date for Internal Audit to review the process applied.		
109	Records Management - LAAC CW1705 Issue 2: Review of additional files Bernadette Oxley, Head of Children's Services	**Medium**	CW1705 Issue 2.1: Review of additional files Started	The total volume of files at Westerhailes will be quantified. Once this has been completed, a risk based sample approach will be applied to review the files and identify any that may have been merged.	**Estimated Date: 31/03/2020 Revised Date: 31/03/2021 No of Revisions 3**	Alison Roarty Ani Barclay Donna Rodger Freeha Ahmed Gillie Severin John Arthur Louise McRae Nickey Boyle Nicola Harvey Ruth Currie Stephen Moir

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
110	Records Management - LAAC CW1705 Issue 2: Review of additional files Bernadette Oxley, Head of Children's Services	**Medium**	CW1705 Issue 2.2: Impact analysis Started	The outcomes of the review of additional files (as detailed at recommendation 2.1) will be shared with the Senior Responsible Officers together with an impact analysis detailing the resourcing and associated costs of including the files within the project scope, and recommendations made as to whether the scope of the project should be extended to include these files, or whether reliance should be placed on the new business as usual process to be implemented as detailed at Finding 3. Where the decision is taken to include the potentially merged files within the scope of the project, they will be transferred across to the project team and logged for review. The project team will work to a completion 29 May with a date of 26 June for validation by Internal Audit.	**Estimated Date: 26/06/2020 Revised Date: 31/03/2021 No of Revisions 4**	Alison Roarty Ani Barclay Donna Rodger Freeha Ahmed Gillie Severin John Arthur Louise McRae Nickey Boyle Nicola Harvey Ruth Currie Stephen Moir
111	Records Management - LAAC CW1705 Issue 3: Pre destruction business as usual file review process Bernadette Oxley, Head of Children's Services	**Medium**	CW1705 Issue 3.1: Pre destruction business as usual file review process Started	The pre destruction business as usual file review process is currently being developed and will cover all the points recommended by Internal Audit. The process will be prepared by the end January 2020 and agreed with the Health and Social Care and Communities and Families Directorates by the end of February 2020.	**Estimated Date: 28/02/2020 Revised Date: 31/03/2021 No of Revisions 4**	Alison Roarty Ani Barclay Donna Rodger Freeha Ahmed Gillie Severin John Arthur Louise McRae Nickey Boyle Nicola Harvey Ruth Currie Stephen Moir

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
112	Records Management - LAAC CW1705 Issue 3: Pre destruction business as usual file review process Bernadette Oxley, Head of Children's Services	**Medium**	CW1705 Issue 3.2a (C&F): Communication and training Started	Children's Practice team managers have already been briefed regarding the outcomes of the audit and a refreshed process will soon be implemented. The process will be co-produced with Business Support Team Managers, communicated and uploaded to the Orb. Given the scale of training to be provided, a CECiL based approach will be applied with support provided by Business Support and requested from Learning and Organisational Development (Human Resources), with divisions requested to track completion of the CECiL module. Locality Management teams will also receive face to face training on the new process.	**Estimated Date: 30/06/2020 Revised Date: 31/08/2021 No of Revisions 3**	Alison Roarty Ani Barclay Donna Rodger Freeha Ahmed Gillie Severin John Arthur Louise McRae Nickey Boyle Nicola Harvey Stephen Moir
113	Records Management - LAAC CW1705 Issue 3: Pre destruction business as usual file review process Judith Proctor, Chief Officer	**Medium**	CW1705 Issue 3.2b (H&SCP): Communication and training Started	Health and Social Care will adopt a similar approach to Communities and Families with the new process communicated and uploaded to the Orb. A CECiL based approach will also be applied with support provided by Business Support and requested from Learning and Organisational Development (Human Resources), with completion of the CECiL module by the relevant teams tracked. Locality Management teams will also receive face to face training on the new process.	**Estimated Date:30/06/2020 Revised Date:31/08/2021 No of Revisions 1**	Alison RoartyAngela RitchieLouise McRae

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
114	Records Management - LAAC CW1705 Issue 3: Pre destruction business as usual file review process Bernadette Oxley, Head of Children's Services	**Medium**	CW1705 Issue 3.3a (C&F): Quality assurance process Started	A joint risk-based quality assurance process will be established between Business Support and Team Managers in Localities. Quality assurance outcomes will be recorded, and learnings shared with team managers at Children's Practice Team meetings, enabling city wide service improvement actions to be identified and implemented where appropriate.	**Estimated Date: 30/06/2020** **Revised Date: 31/08/2021** **No of Revisions 1**	Alison Roarty Ani Barclay Donna Rodger Freeha Ahmed Gillie Severin John Arthur Louise McRae Nickey Boyle Nicola Harvey Ruth Currie Stephen Moir
115	Records Management - LAAC CW1705 Issue 3: Pre destruction business as usual file review process Judith Proctor, Chief Officer	**Medium**	CW1705 Issue 3.3b (H&SCP): Quality Assurance Process Started	A joint quality assurance process will be established between Business Support and Team Managers in Localities. The new Health and Social Care Partnership Chief Nurse and Head of Quality will be responsible for managerial oversight of the quality assurance processes, ensuring that lessons learned are fed back to the Localities and outcomes reported to the Clinical and Care Governance Committee for scrutiny and oversight.	**Estimated Date: 30/06/2020** **Revised Date: 31/08/2021** **No of Revisions 1**	Alison Roarty Angela Ritchie Louise McRae

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
116	Payments and Charges CW1803 Payments and Charges Issue 4: Processing and recording Licensing Fees Paul Lawrence, Executive Director of Place and SRO	**Medium**	CW1803 Rec. 4.1 - Procedures supporting processing and recording licencing fees Started	The Licensing Service processes approximately 21,000 applications per annum and the Internal Audit sample reviewed represents approximately 1% of the overall number of applications. Internal procedures will be reviewed to ensure that that they adequately cover the issues raised and all staff will receive refresher training to reinforce the importance of consistent application of the procedures. Longer term upgrades to the APP Civica Licensing system should also offer enhanced capability with mandatory sections for each licence type processed.	**Estimated Date: 20/12/2019 Revised Date: 01/05/2020 No of Revisions 0**	Alison Coburn Andrew Mitchell David Givan Gavin Brown George Gaunt Michael Thain Sandra Harrison
117	Payments and Charges CW1803 Payments and Charges Issue 4: Processing and recording Licensing Fees Paul Lawrence, Executive Director of Place and SRO	**Medium**	CW1803 Rec. 4.2 - Quality checking Started	Licensing has existing assurance procedures for monitoring noncompliance with core procedures and processes. These will be reviewed to identify whether additional quality assurance is required proportionate to the level of risk. Any revision of the procedures will be focused on those aspects of the processes which present higher levels of legal risk and will use existing assurance data to identify areas that would benefit from more robust scrutiny. Longer term upgrades to the APP Civica Licensing should reduce the risks in this area. The review and proposed revision of assurance procedures will be agreed with Internal Audit to ensure that this risk is fully addressed.	**Estimated Date: 20/12/2019 Revised Date: 01/05/2020 No of Revisions 0**	Alison Coburn Andrew Mitchell David Givan Gavin Brown George Gaunt Grace McCabe Michael Thain Sandra Harrison

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
118	Payments and Charges CW1803 Payments and Charges Issue 5: Processing and recording of Parking Permit fees Paul Lawrence, Executive Director of Place and SRO	**Medium**	CW1803 Rec. 5.2 - Procedure for authorising payments Started	NSL Apply offers improved control mechanisms by automating many processes and tasks, including payments. These are currently not being used. Implementations of these controls, along with a formalised payment acceptance procedure will ensure correct payments are received and further reduce any anomalies. The payment acceptance procedure will confirm that the Council does not accept part payment for parking permits and only reduces the price when the applicant is a disabled persons' blue badge holder. The procedure will establish a quality assurance payment sampling processes for implementation across Business Support teams who administer parking permits.	**Estimated Date: 31/03/2020 Revised Date: 01/08/2020 No of Revisions 0**	Alison Coburn David Givan Ewan Kennedy Gavin Brown Gavin Graham George Gaunt Michael Thain Sandra Harrison
119	Payments and Charges CW1803 Payments and Charges Issue 5: Processing and recording of Parking Permit fees Paul Lawrence, Executive Director of Place and SRO	**Medium**	CW1803 Rec. 5.3 - Ongoing risk-based quality assurance Started	A quality assurance payment acceptance procedure will be developed to ensure the accuracy of parking permit payments. This process will be based on the Internal Audit recommendations.	**Estimated Date: 31/03/2020 Revised Date: 01/08/2020 No of Revisions 0**	Alison Coburn David Givan Ewan Kennedy Gavin Brown Gavin Graham George Gaunt Michael Thain Sandra Harrison

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
120	Payments and Charges

CW1803 Payments and Charges Issue 5: Processing and recording of Parking Permit fees

Stephen Moir, Executive Director of Resources | **Medium** | CW1803 Rec. 5.4 - NSL income reconciliation

Started | The recommendation is accepted. Financial reconciliations between the systems have commenced reinstatement. Work is underway to build a management information suite which will augment the control attributes of the reconciliation as a standalone mechanism. | **Estimated Date: 28/02/2020 Revised Date: 30/06/2021 No of Revisions 3** | Annette Smith Dougie Linton Gavin Graham Hugh Dunn John Connarty Layla Smith Michelle Vanhegan Susan Hamilton |
| 121 | Emergency Prioritisation & Complaints

CW1806 Issue 1: ATEC 24 Operational Framework

Judith Proctor, Chief Officer | **Medium** | CW1806 Issue 1.2(3): ATEC 24 Service Level Agreements - Partnership Protocol

Started | 3. A partnership protocol will be approved and implemented for the Fallen Uninjured Person Service to reflect the current operations, funding arrangements and any planned process improvements. | **Estimated Date: 29/11/2019 Revised Date: 01/03/2021 No of Revisions 3** | Angela Ritchie Craig ODonnell Tom Cowan |
| 122 | Emergency Prioritisation & Complaints

CW1806 Issue 1: ATEC 24 Operational Framework

Judith Proctor, Chief Officer | **Medium** | CW1806 Issue 1.1(6): ATEC 24 Review of Operational Processes - Response Recording

Started | 6. Roll out of handheld devices to allow automated reporting will be progressed. | **Estimated Date:30/04/2020 Revised Date:01/03/2021 No of Revisions

1** | Angela RitchieCraig ODonnellTom Cowan |

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
123	Emergency Prioritisation & Complaints CW1806: Issue 2: Third Party Service Provision - Health & Social Care Partnership Judith Proctor, Chief Officer	**Medium**	CW1806: Issue 2(1): SLAs - Third Party Service Provision Started	A review of the SLA for the ESCS is underway. It is likely the detail of the arrangements will differ considerably from what is currently included within the SLA. The review will, however, take into consideration the points noted above. The review of the SLA will include contributions from City of Edinburgh Council, Midlothian Council and East Lothian Council, and will be presented to the Edinburgh Health and Social Care Partnership Executive Management Team for review and approval.	**Estimated Date: 30/11/2019 Revised Date: 31/08/2021 No of Revisions 4**	Angela Ritchie Brian Henderson Colin Beck Tony Duncan
124	Emergency Prioritisation & Complaints CW1806: Issue 2: Third Party Service Provision - Health & Social Care Partnership Judith Proctor, Chief Officer	**Medium**	CW1806: Issue 2(2): Partnership Protocol HSCP/Contact Centre Started	Agreed, once the SLA is finalised, a Partnership Protocol will be developed in conjunction with Customer Contact Centre colleagues.	**Estimated Date: 28/02/2020 Revised Date: 01/03/2021 No of Revisions 2**	Alison Roarty Angela Ritchie Craig ODonnell Tom Cowan
125	Homelessness Services CW1808 Issue 2: Homelessness data quality and performance reporting Jackie Irvine, Chief Social Work Officer & Head of Safer & Stronger Communities	**High**	CW1808 Recommendation 2.1.5 - HIS alignment to Council's records retention policy and schedule. Started	2.1.5 - Records held within HIS will be managed within the Council's Records Retention Policy and Schedule. The ongoing management and deletion of historical records will form part of the data cleansing project as HIS migrates to Northgate.	**Estimated Date: 31/10/2020 Revised Date: 01/03/2021 No of Revisions 0**	Debbie Herbertson Emma Morgan Nichola Dadds Nicky Brown

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
126	Homelessness Services CW1808 Issue 2: Homelessness data quality and performance reporting Jackie Irvine, Chief Social Work Officer & Head of Safer & Stronger Communities	**High**	CW1808 Recommendation 2.2.3 - Performance Reporting Started	2.2.3 - We will report performance information through a dashboard to the Housing and Economy Committee, officers are currently working with elected members to finalise the key performance indicators required.	**Estimated Date: 31/01/2020 Revised Date: 31/03/2021 No of Revisions 2**	Emma Morgan Nichola Dadds Nicky Brown
127	Homelessness Services CW1808 Issue 3: Provision of homelessness advice and information Jackie Irvine, Chief Social Work Officer & Head of Safer & Stronger Communities	**Medium**	CW1801 Recommendation 3.1.2: Updating homelessness information on website Started	3.1.2 - Following the engagement events with key stakeholders, the Council's website will be updated to include the information set out within the recommendation, and any other information relevant to key stakeholders. Webpages will be subject to regular review to ensure the information remains up to date and in line with policies and legislation.	**Estimated Date: 30/04/2020 Revised Date: 31/03/2021 No of Revisions 3**	Debbie Herbertson Nichola Dadds Nicky Brown
128	Homelessness Services CW1808 Issue 3: Provision of homelessness advice and information Jackie Irvine, Chief Social Work Officer & Head of Safer & Stronger Communities	**Medium**	CW1801 Recommendation 3.1.3: Homelessness information leaflet Started	3.1.3 - Following the engagement events with key stakeholders, we will develop a leaflet for applicants based on the information set out above, and any other relevant information. The leaflet will be made available in all Council offices, locality offices, libraries, health centres, Citizen Advice Bureaus, charities and other local support and advice agencies.	**Estimated Date: 30/04/2020 Revised Date: 30/06/2021 No of Revisions 1**	Debbie Herbertson Nichola Dadds Nicky Brown

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
129	Assurance Actions and Annual Governance Statements CW1903 Issue 1: Assurance Management Framework Andrew Kerr, Chief Executive	**High**	CW1903 Issue 1.1a: Develop and implement an assurance management framework Started	Discussions will be held with Directors on the outcomes of the Internal Audit report, and they will be requested to establish their own processes to ensure that the risks associated with all open assurance findings are completely and accurately reflected in their 2020/21 divisional and directorate annual assurance statements.	**Estimated Date: 31/12/2020 Revised Date: 28/02/2021 No of Revisions 1**	Chris Peggie Donna Rodger Gavin King Hayley Barnett Laura Callender Mirka Vybiralova
130	Assurance Actions and Annual Governance Statements CW1903 Issue 1: Assurance Management Framework Andrew Kerr, Chief Executive	**High**	CW1903 Issue 1.1c: Develop and implement an assurance management framework Started	An assurance management framework will be developed and implemented that covers the points raised by Internal Audit and includes: liaison with directorates to assess current and best practice; clearly defined roles and responsibilities for first line directorates and the second line Corporate Governance team; process flow; monitoring / reporting / closure requirements; an assessment of existing automated tools to determine whether they can support the process; issue guidance; The framework will be implemented and rolled out across Council divisions and directorates to support completion of the 2021/22 annual governance statement for inclusion in the Council's 31 March 2022 annual financial statements.	**Estimated Date: 31/12/2020 Revised Date: 31/03/2021 No of Revisions 1**	Chris Peggie Donna Rodger Gavin King Hayley Barnett Laura Callender Mirka Vybiralova

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 117 31	Life Safety CW1910 - Life safety: Issue 4 Housing Property Services – fire and water safety processes Paul Lawrence, Executive Director of Place and SRO	Low	CW1910 Rec. 4.1.1 Housing Property Services – water risk assessments Started	1. The Scientific Services team have reviewed the comment above against current legislation and will implement the following refreshed approach: Rather than a rolling programme covering all 20,000 Housing Property Services (HPS) properties equally, different types of property are classed in different priority risk categories. The Council has responsibility for 44 multi storey blocks and 33 Sheltered Housing complexes. These properties are all classed as high risk and assessments will be carried out within the stated two-year period currently specified in the Council's water policy, and then every two years going forward. The remaining properties on the Housing estate are considered low level priority and legislation states that these surveys should be undertaken over a five-year period. Risk assessments will be carried out on sample properties for these low risk properties. For example, in a street of 100 homes with 20 different house types, only 20 surveys would be required. 2. Providing that Housing Property Services as the risk owner allocate sufficient budget resource, Scientific Services are comfortable that this work will not put a strain on their current resources and as the approach adopted is in line with the Council's Water Safety Policy and applicable regulations, there is no need to record completion in relevant divisional and directorate risk registers.	**Estimated Date:31/12/2020 Revised Date:** **No of Revisions** **0**	Alison CoburnGareth BarwellJemma TennantRobbie Beattie

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
132	Unsupported Technology (Shadow IT) and End User Computing CW1914 Issue 1: Digital strategy and governance Stephen Moir, Executive Director of Resources	**Medium**	CW1914 Rec 1.1 - Digital strategy development Started	The Council's digital strategy is currently being refreshed as part of the Adaptation and Renewal Programme and will include consideration of use of both networked and cloud-based systems solutions that are aligned with the Council's strategic and service delivery objectives and applicable security and compliance requirements. A separate cloud strategy will also be prepared as part of the overarching digital strategy that outlines the opportunities and risks associated with ongoing and future use of cloud-based shadow IT systems. The digital strategy will be developed following engagement and consultation with Council directorates; divisions; citizens; and other organisations (where required).	**Estimated Date: 31/12/2020 Revised Date: 30/06/2021 No of Revisions 1**	Alison Roarty Heather Robb Layla Smith Michelle Vanhegan Nicola Harvey
133	H&SC Care Homes - Corporate Report A1.1: Care Homes Self Assurance Framework Judith Proctor, Chief Officer	**Medium**	A1.1: Care Homes Self Assurance Framework Started	A self-assurance framework will be designed and implemented that will validate effective operation of controls in place to manage these risks. The Health and Social Care Partnership Operations Manager will be accountable for development; implementation and ongoing operation of the framework. Development and implementation support will be requested from Business Support and Quality Assurance and Compliance.	**Estimated Date: 30/06/2019 Revised Date: 01/05/2021 No of Revisions 1**	Angela Ritchie Jacqui Macrae
134	H&SC Care Homes - Corporate Report A2.3: Welfare Fund and Outings Funds	**Medium**	A2.3(2) Establishment of welfare fund committees	A working group has been established that will focus on welfare. The remit of the group will focus on welfare committees; constitutions; accounts; criteria and donations. 2 officers from	**Estimated Date: 31/07/2018 Revised Date: 01/05/2021**	Angela Ritchie Jacqui Macrae

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
	Judith Proctor, Chief Officer		Started	the working group have been assigned responsibility to write and implement welfare guidelines.	**No of Revisions 5**	
135	H&SC Care Homes - Corporate Report A2.3: Welfare Fund and Outings Funds Judith Proctor, Chief Officer	**Medium**	A2.3(3) Production of annual accounts and review by welfare fund committee Started	A working group has been established that will focus on welfare. The remit of the group will focus on welfare committees; constitutions; accounts; criteria and donations. 2 officers from the working group have been assigned responsibility to write and implement welfare guidelines Task assigned to Business Officer for annual accounts and daily bookkeeping. Guidelines to be written for consistency.	**Estimated Date: 31/07/2018 Revised Date: 01/05/2021 No of Revisions 4**	Angela Ritchie Jacqui Macrae
136	H&SC Care Homes - Corporate Report A3.1: Training Judith Proctor, Chief Officer	**Medium**	A3.1(1) Manager review of training Started	This will be included as part of a new monthly controls process to be implemented and monitored via completion of a monthly spreadsheet. A working group has been established to document all processes to be included.	**Estimated Date: 30/06/2019 Revised Date: 01/05/2021 No of Revisions 3**	Angela Ritchie Jacqui Macrae
137	H&SC Care Homes - Corporate Report A3.3: Performance & Attendance Management Judith Proctor, Chief Officer	**Medium**	A3.3(2) Health & Social Care Teams - 6 monthly and annual performance conversations Started	Health and Social Care Teams Will ensure that annual performance conversations (once completed) are recorded on the iTrent system.	**Estimated Date: 30/06/2018 Revised Date: 01/05/2021 No of Revisions 5**	Angela Ritchie Jacqui Macrae

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
138	H&SC Care Homes - Corporate Report A3.3: Performance & Attendance Management Judith Proctor, Chief Officer	Medium	A3.3(4) Health & Social Care Teams - quarterly review of absence and performance management Started	This is the responsibility of the Unit manager for their direct reports. The Business Support Officer will ensure that the Unit Manager is aware on a monthly basis for Domestics and Handymen reporting to them The Business Support Officer is required to monitor and report through the Customer process on a monthly basis. The staff nurse / charge nurse to be appointed at Gylemuir will ensure that this is performed for all NHS staff.	**Estimated Date: 30/06/2018 Revised Date: 01/05/2021 No of Revisions 3**	Angela Ritchie Jacqui Macrae
139	H&SC Care Homes - Corporate Report A3.4: Agency Staffing Judith Proctor, Chief Officer	Medium	A3.4(2) Analysis of the agency staff and hours worked charges Started	The BSO will assist the UM (See A2.1). A paper is being presented to the Health and Social Care Senior Management Team week commencing 15th January 2018 that proposes a solution where information will be provided to Locality Managers who will prepare reports for Care Homes. If this solution is agreed, it will be implemented immediately.	**Estimated Date: 31/03/2018 Revised Date: 01/05/2021 No of Revisions 4**	Angela Ritchie Jacqui Macrae
140	H&SC Care Homes - Corporate Report A3.5: Adequacy of Resources Judith Proctor, Chief Officer	Medium	A3.5(1) Care Inspectorate Dependency Assessments requirements Started	Unit managers submit monthly reports to Cluster manager and Locality management team. Locality management team responsible for ensuring resource meets the demand based on dependency scoring.	**Estimated Date:31/01/2019 Revised Date:01/05/2021 No of Revisions 5**	Angela RitchieJacqui Macrae

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
141	Social Work Centre Bank Account Reconciliations Corporate Appointee Client Fund Management Judith Proctor, Chief Officer	High	Recommendation 1a - Health & Social Care Started	1. Health and Social Care: Given the considerable business support and social worker resources implications, the above recommendations will take time to design, implement and maintain. Business Support is resolving problem appointee arrangements as we go along, however, the backlog of reviews will need a programme management approach to rectify errors and support the governance required. In the meantime, associated risks will be added to the Partnership's risk register to monitor controls and progress on a monthly basis, given its high finding rating. Following the Care Home Assurance Review, the Partnership is developing a self-assurance control framework. Locality Managers have agreed for corporate appointee arrangements to be included in the assurance framework – which if found to be successful and useful, can be mirrored by the other applicable services in this report. Business Support is working on new guidelines for the administration of Corporate Appointeeship (e.g. new procedures, monthly checklists, etc.), which will support the effective delivery of the framework.	**Estimated Date: 28/06/2019 Revised Date: 01/08/2021 No of Revisions 2**	Alison Roarty Angela Ritchie Colin Beck Louise McRae Tony Duncan

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
142	Social Work Centre Bank Account Reconciliations Corporate Appointee Client Fund Management Judith Proctor, Chief Officer	**High**	2.2. Updating procedures to include an annual review of Corporate Appointee contracts Started	2. New guidelines will be written to ensure clarity of responsibilities. Sections will be included detailing Social Work; Business Support; and Transactions team responsibilities. The objective is to create and implement an end to end process that includes eligibility criteria, DWP processes and a full administrative process that will be applied centrally and across Locality offices; clusters; and hubs.	**Estimated Date: 30/04/2018 Revised Date: 01/08/2021 No of Revisions 2**	Alison Roarty Angela Ritchie Colin Beck Louise McRae Tony Duncan
143	Social Work Centre Bank Account Reconciliations Corporate Appointee Client Fund Management Judith Proctor, Chief Officer	**High**	Rec. 8 Business Support and Senior Social Worker - refresher training closing and reallocation of client fund accounts Started	8. Refresher training will be offered as part of the implementation of the new guidelines to all staff involved in the process, and recorded on staff training records. The training will also be incorporated into the new staff induction process.	**Estimated Date: 31/05/2018 Revised Date: 01/08/2021 No of Revisions 3**	Alison Roarty Angela Ritchie Colin Beck Louise McRae Tony Duncan

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
144	Social Work Centre Bank Account Reconciliations Corporate Appointee Client Fund Management Judith Proctor, Chief Officer	**High**	Rec 1b - Business Support - review of Corporate Appointee processes Started	1. Business Support: Business Support will enable the review of current processes and guidelines in conjunction with Hub and Cluster Managers with sign off at the Locality Managers Forum. Business support will review all Corporate Appointee accounts and contact the relevant social worker, support worker or hub where the funds are over £16K for immediate review. Business support will advise social work when the funds exceed £16K where there is not a valid reason (for example, client deceased and social worker discussing estate with solicitor). Clarity on contact with DWP is being progressed and will be written into the new guidelines. Regular reporting will be introduced from the revised systems being implemented. This will be provided monthly at Senior Social Work level and annually for H&SC management	**Estimated Date: 31/05/2018 Revised Date: 01/08/2021 No of Revisions 2**	Alison Roarty Angela Ritchie Colin Beck Louise McRae Tony Duncan

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 124 45	Localities Operating Model 1. Localities Governance and Operating Model Gillie Severin, Strategic Change Delivery Manager	High	1.1 Recommendation - Localities Operating Model Post Implementation Review Started	Management response from the Place Directorate and Strategy and Communications It is recognised the Council's localities operating model has not been fully effective and that oversight of locality performance and delivery of locality improvement plan actions could be improved. This is mainly attributable to the ambitious and complex design of the original localities operating model. The Localities operating model is in the process of being redesigned following dissolution of the Localities Committees as in February 2019, and the Internal Audit recommendations included in the first finding below will be considered and implemented (where appropriate) in the design of the new model and incorporated within reporting provided to established Council executive committees that are responsible for oversight of service delivery across the localities and monitoring progress with delivery of LIP actions. Once the new locality model has been designed, details of the new design and implementation plan will be shared with Internal Audit by 31 March 2020 to demonstrate how their recommendations will be addressed and implemented. It has been agreed with Internal Audit that new management actions will be raised at that time to track implementation progress.	**Estimated Date: 31/03/2020 Revised Date: 31/03/2023 No of Revisions 2**	Alison Coburn David Givan Donna Rodger Evelyn Kilmurry George Gaunt Jackie Irvine mike Avery Nichola Dadds Peter Strong Ruth Currie Sarah Burns

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 125	Localities Operating Model 1. Localities Governance and Operating Model Gillie Severin, Strategic Change Delivery Manager	High	1.2 Recommendation – Development and Delivery of Council Locality Improvement Plan Actions Started	Management response from the Place Directorate and Strategy and Communications It is recognised the Council's localities operating model has not been fully effective and that oversight of locality performance and delivery of locality improvement plan actions could be improved. This is mainly attributable to the ambitious and complex design of the original localities operating model. The Localities operating model is in the process of being redesigned following dissolution of the Localities Committees as in February 2019, and the Internal Audit recommendations included in the first finding below will be considered and implemented (where appropriate) in the design of the new model and incorporated within reporting provided to established Council executive committees that are responsible for oversight of service delivery across the localities and monitoring progress with delivery of LIP actions. Once the new locality model has been designed, details of the new design and implementation plan will be shared with Internal Audit by 31 March 2020 to demonstrate how their recommendations will be addressed and implemented. It has been agreed with Internal Audit that new management actions will be raised at that time to track implementation progress.	**Estimated Date:31/03/2020 Revised Date:31/03/2023 No of Revisions2**	Alison Coburn Alison Henry David Givan Donna Rodger Evelyn Kilmurry George Gaunt Michele Mulvaney Mike Avery Paul Lawrence Paula McLeay Peter Strong Sarah Burns

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 126 47	Localities Operating Model 1. Localities Governance and Operating Model Gillie Severin, Strategic Change Delivery Manager	**High**	1.3 Recommendation - Locality Service Delivery Performance Measures Started	Management response from the Place Directorate and Strategy and Communications It is recognised the Council's localities operating model has not been fully effective and that oversight of locality performance and delivery of locality improvement plan actions could be improved. This is mainly attributable to the ambitious and complex design of the original localities operating model. The Localities operating model is in the process of being redesigned following dissolution of the Localities Committees as in February 2019, and the Internal Audit recommendations included in the first finding below will be considered and implemented (where appropriate) in the design of the new model and incorporated within reporting provided to established Council executive committees that are responsible for oversight of service delivery across the localities and monitoring progress with delivery of LIP actions. Once the new locality model has been designed, details of the new design and implementation plan will be shared with Internal Audit by 31 March 2020 to demonstrate how their recommendations will be addressed and implemented. It has been agreed with Internal Audit that new management actions will be raised at that time to track implementation progress.	**Estimated Date: 31/03/2020 Revised Date: 31/03/2023 No of Revisions 2**	Alison Coburn Donna Rodger Evelyn Kilmurry Michele Mulvaney mike Avery Paula McLeay Peter Strong Sarah Burns

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 127 48	Localities Operating Model 1. Localities Governance and Operating Model Gillie Severin, Strategic Change Delivery Manager	High	1.4 Recommendation - Engagement with Council centralised divisions Started	Management response from the Place Directorate and Strategy and Communications It is recognised the Council's localities operating model has not been fully effective and that oversight of locality performance and delivery of locality improvement plan actions could be improved. This is mainly attributable to the ambitious and complex design of the original localities operating model. The Localities operating model is in the process of being redesigned following dissolution of the Localities Committees as in February 2019, and the Internal Audit recommendations included in the first finding below will be considered and implemented (where appropriate) in the design of the new model and incorporated within reporting provided to established Council executive committees that are responsible for oversight of service delivery across the localities and monitoring progress with delivery of LIP actions. Once the new locality model has been designed, details of the new design and implementation plan will be shared with Internal Audit by 31 March 2020 to demonstrate how their recommendations will be addressed and implemented. It has been agreed with Internal Audit that new management actions will be raised at that time to track implementation progress.	**Estimated Date: 31/03/2020 Revised Date: 31/03/2023 No of Revisions 2**	Alison Coburn David Givan Donna Rodger Evelyn Kilmurry George Gaunt mike Avery Peter Strong Sarah Burns

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 128 49	Localities Operating Model 1. Localities Governance and Operating Model Gillie Severin, Strategic Change Delivery Manager	High	PL1801 1.5 Recommendation - Locality budget planning and financial management Started	Management response from the Place Directorate and Strategy and Communications It is recognised the Council's localities operating model has not been fully effective and that oversight of locality performance and delivery of locality improvement plan actions could be improved. This is mainly attributable to the ambitious and complex design of the original localities operating model. The Localities operating model is in the process of being redesigned following dissolution of the Localities Committees as in February 2019, and the Internal Audit recommendations included in the first finding below will be considered and implemented (where appropriate) in the design of the new model and incorporated within reporting provided to established Council executive committees that are responsible for oversight of service delivery across the localities and monitoring progress with delivery of LIP actions. Once the new locality model has been designed, details of the new design and implementation plan will be shared with Internal Audit by 31 March 2020 to demonstrate how their recommendations will be addressed and implemented. It has been agreed with Internal Audit that new management actions will be raised at that time to track implementation progress.	**Estimated Date: 31/03/2020** **Revised Date: 31/03/2020** **No of Revisions 2**	Alison Coburn Annette Smith Donna Rodger Evelyn Kilmurry Hugh Dunn John Connarty Michelle Vanhegan mike Avery Peter Strong Sarah Burns Susan Hamilton

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 129 50	Localities Operating Model 1. Localities Governance and Operating Model Gillie Severin, Strategic Change Delivery Manager	High	1.6 Recommendation - Risk Management Started	Management response from the Place Directorate and Strategy and Communications It is recognised the Council's localities operating model has not been fully effective and that oversight of locality performance and delivery of locality improvement plan actions could be improved. This is mainly attributable to the ambitious and complex design of the original localities operating model. The Localities operating model is in the process of being redesigned following dissolution of the Localities Committees as in February 2019, and the Internal Audit recommendations included in the first finding below will be considered and implemented (where appropriate) in the design of the new model and incorporated within reporting provided to established Council executive committees that are responsible for oversight of service delivery across the localities and monitoring progress with delivery of LIP actions. Once the new locality model has been designed, details of the new design and implementation plan will be shared with Internal Audit by 31 March 2020 to demonstrate how their recommendations will be addressed and implemented. It has been agreed with Internal Audit that new management actions will be raised at that time to track implementation progress.	**Estimated Date:31/03/2020 Revised Date:31/03/2023 No of Revisions** **2**	Alison CoburnDavid GivanDonna RodgerEvelyn KilmurryGeorge Gauntmike AveryPeter StrongSarah Burns

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 130 51	Localities Operating Model 1. Localities Governance and Operating Model Gillie Severin, Strategic Change Delivery Manager	**High**	1.7 Recommendation - Succession Planning Started	Management response from the Place Directorate and Strategy and Communications It is recognised the Council's localities operating model has not been fully effective and that oversight of locality performance and delivery of locality improvement plan actions could be improved. This is mainly attributable to the ambitious and complex design of the original localities operating model. The Localities operating model is in the process of being redesigned following dissolution of the Localities Committees as in February 2019, and the Internal Audit recommendations included in the first finding below will be considered and implemented (where appropriate) in the design of the new model and incorporated within reporting provided to established Council executive committees that are responsible for oversight of service delivery across the localities and monitoring progress with delivery of LIP actions. Once the new locality model has been designed, details of the new design and implementation plan will be shared with Internal Audit by 31 March 2020 to demonstrate how their recommendations will be addressed and implemented. It has been agreed with Internal Audit that new management actions will be raised at that time to track implementation progress.	**Estimated Date: 31/03/2020 Revised Date: 31/03/2023 No of Revisions 2**	Alison Coburn David Givan Donna Rodger Evelyn Kilmurry George Gaunt mike Avery Peter Strong Sarah Burns

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
152	Localities Operating Model 2. Oracle Financial System – Authorised Approval Limits Stephen Moir, Executive Director of Resources	Low	PL1801 2.1 - Authorisation Limits Review Started	A large-scale exercise, involving over 500 changes to the structure, was undertaken during the winter months realigning Place, taking into account changes relating to Transformation. A review of all Oracle Requisition Approvers for the department of Place has been initiated and is currently underway. More fundamentally, a rolling programme of all Oracle Requisition Approvers, across all divisions, has been reinstated. Prior to 2015 this was business as usual (BAU), however due to the proposed introduction of the enterprise resource planning solution and other budget cuts and staff reductions this was suspended. The significance of this regular review was recognised and reinstated in 2018. This will be rigorously implemented until firmly re-embedded as part of BAU across the business	**Estimated Date: 26/06/2020 Revised Date: 31/05/2021 No of Revisions 1**	Alison Henry Annette Smith Brenda Brownlee David Camilleri Hugh Dunn Layla Smith Michelle Vanhegan

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
153	Planning and S75 Developer Contributions End to end developer contribution processes, procedures, and training Paul Lawrence, Executive Director of Place and SRO	High	PL1802 Iss 2 Rec 2.2 Quality Assurance Started	Planning has made significant progress on specific parts of the contributions process, and will deliver other improvements to this process to address the recommendations. The capture and tracking of the financial contributions will be performed using the Council's PPSL accounts receivable system. The Planning team's existing quality assurance process will be extended to include the end to end developer contributions process to be designed and applied as per recommendation 1. The quality assurance process will cover the areas recommended by Internal Audit at 1 to 4 above, including use of the Council's PPSL accounts receivable system to record and monitor financial contributions received ISO accreditors will also be requested to include the Developer contributions quality assurance process within the scope of their review which is scheduled for completion by October 2020.	**Estimated Date: 31/12/2020 Revised Date: 01/05/2021 No of Revisions 0**	Alison Coburn Alison Henry Annette Smith Bruce Nicolson David Leslie David Givan George Gaunt Graham Nelson Hugh Dunn Kevin McKee Michael Thain Michelle Vanhegan Nick Smith Rebecca Andrew

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
154	HMO Licensing PL1803 Issue 1 Licensing system - Data Integrity and Performance Issues Stephen Moir, Executive Director of Resources	**High**	PL1803 Issue 1.1 Project Plan Started	Response from Digital Services Digital Services resources have now been allocated to work with both the Licencing team and CGI to progress the change request for the upgrade to APP Civica CX, and this will involve developing a plan to support implementation of the system upgrade that includes details of all relevant activities to be completed and implementation timeframes. Response from Licencing The Place Directorate and Digital Services have made change requests for CGI to provide analysis on the business benefits, costs and risks of moving to the APP. These change requests are outstanding from CGI from 2018. Upon receipt of this analysis the Directorate will agree with the Resource Directorate a project plan for approval by senior managers,	**Estimated Date: 20/12/2019 Revised Date: 31/03/2021 No of Revisions 3**	Alison Roarty Grace McCabe Heather Robb Isla Burton Julie Rosano Layla Smith Michelle Vanhegan Nicola Harvey
155	HMO Licensing PL1803 Issue 2 - Collection and processing of HMO licence fees Paul Lawrence, Executive Director of Place and SRO	**High**	PL1803 Issue 2.1 BACs payment reference Started	It should be noted that measure is in place to ensure that no application is progressed without the required fee being reconciled. This reflects the statutory process and the need to ensure that the Council treats applications for a renewal lawfully unless the reconciliation process can evidence a payment has not been made. There is no evidence from directorate monitoring the level of income from HMOs licence applications which would demonstrate that fees are not being collected. Any unmatched fee not identified will in effect contribute to the Council's	**Estimated Date:30/03/2020 Revised Date:05/10/2020 No of Revisions 1**	Alison CoburnAndrew MitchellDavid GivanGeorge GauntGrace McCabeIsla BurtonMichael ThainSandra Harrison

Page 133

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
				general revenue account and therefore there is no financial loss to the Council. The Internal Audit recommendation outlined above is not accepted as it not believed to be achievable. Therefore Licencing; Customer; and Finance will investigate potential solutions re the BACS issue, (including any potential scope for a technology solution) to address this risk. These options will be reviewed with Internal Audit and a longer-term solution identified and implemented. It has been agreed with Internal Audit that (once the solution has been identified) another audit finding will be raised that will monitor implementation of the solution to confirm that it is operating effectively. In the meantime, a statement will be added to the Licencing pages on the Council's external website and application forms advising customers of what reference must be used to successfully make a BACs payment.		
156	Road Services Improvement Plan PL1808 Issue 1. Roads Improvement Plan financial operating model and project governance Paul Lawrence, Executive Director of Place and SRO	**High**	PL1808 - 1.1 Roads Service Improvement Plan review (including financial operating model) Started	Accepted. The Roads Service Improvement Plan (the Plan) will be reviewed following completion of the organisational restructure and will consider the points noted in the recommendation. A review of the financial operating model will also be undertaken with the aim of embedding a new budget structure for the service. Once completed the Plan business case will be refreshed to reflect any significant changes.	**Estimated Date: 30/04/2020 Revised Date: 01/09/2020 No of Revisions 0**	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Nicole Fraser

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
157	Road Services Improvement Plan PL1808 Issue 1. Roads Improvement Plan financial operating model and project governance Paul Lawrence, Executive Director of Place and SRO	**High**	PL1808 - 1.2 Roads Service Improvement Plan approval Started	On appointment of the tier 3 and 4 management team, a re-base of the improvement plan will take place and the revised plan will be submitted to the Council's Change Board and the Transport and Environment Committee for approval, with ongoing progress updates provided to both forums.	**Estimated Date: 31/07/2020 Revised Date: 01/12/2020 No of Revisions 0**	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Nicole Fraser
158	Road Services Improvement Plan PL1808 Issue 2. Roads services performance monitoring and quality assurance Paul Lawrence, Executive Director of Place and SRO	**High**	PL1808 - 2.1 Service Delivery Performance Monitoring Started	One of the roles included in the new Roads structure is a Roads Service Performance Coordinator. The team member appointed to this role will be responsible for designing; implementing; and maintaining a performance and quality assurance framework that will incorporate the recommendations made to support ongoing monitoring and management of the Roads service. This will involve ensuring that all Roads teams develop team plans that include key performance measures; outline their respective roles and responsibilities for delivery; and are aligned with overall Council's commitments that are relevant to Roads.	**Estimated Date: 31/07/2020 Revised Date: 30/06/2021 No of Revisions 1**	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Jordan Walker Nicole Fraser

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 136 159	Road Services Improvement Plan PL1808 Issue 2. Roads services performance monitoring and quality assurance Paul Lawrence, Executive Director of Place and SRO	**High**	PL1808 - 2.2 Roads services quality assurance framework Started	1. The existing Transport Design and Delivery quality framework will be revised to reflect the new Roads and Transport Infrastructure Service and rolled out across the service. As part of this review, the recommendations highlighted above will be considered and incorporated where appropriate. The Design, Structures and Flood Prevention Manager will be responsible for refreshing the quality framework once appointed. 2. A sampling regime will be designed and embedded for safety inspections to ensure that defects are being categorised properly. This process will be designed and implemented by the Team Leader for Safety Inspections to be appointed as part of the ongoing restructure. 3. A sampling regime will be designed and embedded for road defect repairs to ensure that repairs are fit for purpose and effective. 4. Key performance indicators for each team will be included in the target setting for each 4th tier manager and their direct reports to ensure focus on these measures. Emerging themes from Team Plans and quality assurance reviews will also be shared with Roads teams, and individual and team training needs will be considered based on the themes identified. This process will be designed and implemented by the Service Performance Coordinator to be appointed as part of the ongoing restructure.	**Estimated Date: 30/06/2020 Revised Date: 31/03/2021 No of Revisions 1**	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Jordan Walker Nicole Fraser Sean Gilchrist

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
160	Road Services Improvement Plan PL1808 Issue 3. Roads inspection, defect categorisation, and repairs Paul Lawrence, Executive Director of Place and SRO	Low	PL1808 - 3.2a) Inspector training and qualifications Started	1. Design and implement a training framework for all relevant Inspectors in line with the newly adopted 'Road Safety Inspection and Defect Categorisation Procedure'	Estimated Date: 31/01/2020 Revised Date: 01/06/2020 No of Revisions 0	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Nicole Fraser Sean Gilchrist
161	Road Services Improvement Plan PL1808 Issue 3. Roads inspection, defect categorisation, and repairs Paul Lawrence, Executive Director of Place and SRO	Low	PL1808 - 3.2b) Inspector training and qualifications Started	2. Ensure all relevant Inspectors are accredited by an appropriately accredited professional body.	Estimated Date: 31/08/2020 Revised Date: 01/01/2021 No of Revisions 0	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Nicole Fraser Sean Gilchrist
162	Road Services Improvement Plan PL1808 Issue 3. Roads inspection, defect categorisation, and repairs Paul Lawrence, Executive Director of Place and SRO	Low	PL1808 - 3.3 Management information for planned inspections Started	On appointment, the new Service Performance Coordinator and Team Leader – Safety Inspections will work with Pitney Bowes (the supplier of the Confirm system) to develop a new process to plan and monitor safety inspection performance	Estimated Date: 31/03/2020 Revised Date: 01/04/2021 No of Revisions 3	Alison Coburn Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Jamie Watson Nicole Fraser Sean Gilchrist
163	Street Lighting and Traffic Signals Street Lighting and Traffic Signals: Process and quality assurance	Low	PL1810 Issue 3 - Rec 1 Operation and maintenance procedures Started	Street Lighting and Traffic Signals Operational Guides will be developed, implemented, and reviewed to ensure that processes align with current regulatory requirements. Operational Guides will be implemented within six months of implementation of the Roads Improvement Plan, or by 30	Estimated Date:30/09/2019 Revised Date:01/03/2021 No of Revisions 3	Alan SimpsonAlison CoburnClaire DuchartDavid GivanGareth BarwellGavin BrownGeorge GauntLindsey McPhillipsMark

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
	documentation and training Paul Lawrence, Executive Director of Place and SRO			September 2019, whichever comes first.		LoveNicole FraserRobert MansellTony Booth
164	Street Lighting and Traffic Signals Street Lighting and Traffic Signals: Process and quality assurance documentation and training Paul Lawrence, Executive Director of Place and SRO	**Low**	PL1810 Issue 3: Rec 2 - Refresher training for existing employees Started	An essential Learning Matrix that specifies the refresher training that the team requires to complete on an ongoing basis has been developed and provided to Learning and Organisational Development for their review and feedback, with no response received as yet. The matrix will now be implemented, and employee training requirements will be assessed (and agreed) as part of the Annual Conversations.	**Estimated Date: 20/12/2019 Revised Date: 01/04/2021 No of Revisions 6**	Alan Simpson Alison Coburn Claire Duchart Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Lindsey McPhillips Mark Love Nicole Fraser Robert Mansell Tony Booth
165	Street Lighting and Traffic Signals Traffic Signals: Evidence of pre installation design and acceptance testing Paul Lawrence, Executive Director of Place and SRO	**Low**	PL1810 Issue 4: Rec 1 - Paperless testing checklist Started	A checklist will be introduced to record all factory and site acceptance testing and uploaded onto InView against the appropriate asset. The checklist will record engineer acceptance and review.	**Estimated Date: 31/03/2020 Revised Date: 01/02/2021 No of Revisions 2**	Alan Simpson Alison Coburn Claire Duchart Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Lindsey McPhillips Mark Love Nicole Fraser Robert Mansell Tony Booth

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
166	Street Lighting and Traffic Signals Traffic Signals: Evidence of pre installation design and acceptance testing Paul Lawrence, Executive Director of Place and SRO	Low	PL1810 Issue 4: Rec 2 - Guidance supporting testing checklist Started	Workshop to be arranged to guide all relevant team members on the processes for completion and retention of the checklist.	**Estimated Date: 31/12/2019 Revised Date: 01/02/2021** <mark>**No of Revisions 3**</mark>	Alan Simpson Alison Coburn Claire Duchart Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Lindsey McPhillips Mark Love Nicole Fraser Robert Mansell Tony Booth
167	Street Lighting and Traffic Signals Traffic Signals: Evidence of pre installation design and acceptance testing Paul Lawrence, Executive Director of Place and SRO	Low	PL1810 Issue4: Rec 3 - Checklist retention procedures Started	Processes for the completion and retention of the checklist to be included in appropriate Operational Guide.	**Estimated Date: 31/03/2020 Revised Date: 01/02/2021** <mark>**No of Revisions 2**</mark>	Alan Simpson Alison Coburn Claire Duchart Cliff Hutt David Givan Gareth Barwell Gavin Brown George Gaunt Lindsey McPhillips Mark Love Nicole Fraser Robert Mansell Tony Booth
168	Drivers Recording and addressing driving incidents Paul Lawrence, Executive Director of Place and SRO	Medium	Recording and addressing driving incidents Rec 2 Started	A monthly reconciliation between the incidents reported to Fleet Services and those recorded on SHE will be performed, with line managers advised re any gaps on the SHE system that need to be addressed;	**Estimated Date: 01/04/2019 Revised Date: 31/12/2020** <mark>**No of Revisions 2**</mark>	Adam Fergie Alison Coburn Claire Duchart David Givan Gareth Barwell George Gaunt Katy Miller Martin Young Nicole Fraser

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
						Scott Millar Steven Wright
169	Asset Management Strategy Issue 1: Visibility and Security of Shared Council Property Stephen Moir, Executive Director of Resources	**Medium**	Review of existing shared property Started	A review of the office estate is underway by the Operational Estates team to identify third party users and approach them to seek appropriate leases or licences to allow them to occupy the premises and ensure the Council is appropriately reimbursed.	**Estimated Date: 31/10/2018 Revised Date: 01/03/2026 No of Revisions 3**	Audrey Dutton Gohar Khan Layla Smith Lindsay Glasgow Michelle Vanhegan Peter Watton
170	Certifications and Software Licenses RES1805 Licenses and Certificates: Issue 1 - Governance and Oversight Stephen Moir, Executive Director of Resources	**Medium**	RES1805 CDS 1.1 Council - Governance and Oversight of Certificates and Licenses Started	Council: Both Digital Services Management and CGI agree that the issues relating to Certificates and Licenses must be addressed. Digital Services Management will: ensure improved Governance of the processes around this are undertaken, reporting any issues through the Executive Board; and ensure licenses are reduced/savings are realised where reduction or improved management of licenses is practicable. 2. Although not directly part of this action, more explicit requirements and governance around certificates and licenses will form part of any new or revised outsourcing contract.	**Estimated Date: 31/01/2020 Revised Date: 01/11/2020 No of Revisions 2**	Alison Roarty Heather Robb Jackie Galloway Julie Rosano Laura Millar Layla Smith Michelle Vanhegan Nicola Harvey Stuart Skivington

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
171	Certifications and Software Licenses RES1805 Licenses and Certificates: Issue 1 - Governance and Oversight Stephen Moir, Executive Director of Resources	**Medium**	RES1805 CDS 1.2 CGI - Reporting and monitoring - Licenses and Certificates Started	CGI will Provide improved reporting on licenses and usage to Council Asset meetings. This will start no later than October 2019; At these meetings, also provide updates on certificate management, highlighting any service impact/incident reports caused by certificate issue; and Work with Council to provide a relevant update for the Partnership Board/Executive meeting on certificate and license management.	**Estimated Date: 31/01/2020 Revised Date: 01/11/2020** <mark>**No of Revisions 2**</mark>	Alison Roarty Heather Robb Jackie Galloway Laura Millar Layla Smith Michelle Vanhegan Nicola Harvey Stuart Skivington
Page 172 141	Certifications and Software Licenses RES1805 Licenses and Certifications: Issue 2 - Ongoing management Stephen Moir, Executive Director of Resources	**High**	RES1805 - CDS 2.1 Completeness and accuracy of license inventory reports Started	CGI will: Use the Microsoft SCCM Product to ensure that all software installed in appropriately licensed Ensure that the license report is reconciled back to source system data (where applicable) and gain Council confirmation that they are satisfied with the completeness and accuracy of the license inventory. Update the Council at the fortnightly asset meetings of any differences between installed and licensed software and agree a course of action e.g. removal, reduction in licenses, discussion with Services on usage This should start by the end of October 2019.	**Estimated Date:31/01/2020 Revised Date:01/11/2020** <mark>**No of Revisions 2**</mark>	Alison RoartyHeather RobbJackie GallowayJulie RosanoLaura MillarLayla SmithMichelle VanheganNicola HarveyStuart Skivington

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 142 73	Out of Support Technology and Public Sector Network Accreditation RES1807 - Issue 1: Public Services Network governance framework Stephen Moir, Executive Director of Resources	Low	RES1807 - 1.1 Public Services Network governance arrangements Started	Digital Services Management has recognised the need to review governance arrangements around PSN /Cybersecurity. This will include Adapting the Security Working Group (SWG) Assurance report, in conjunction with CGI, to be the single report for all security assurance and accreditation matters encompassing PNS, Cyber Essentials/Cyber Essentials Plus, PSCAP and progress against Internal Audit findings. Working with CGI to change the Security Management Plan to have separate fortnightly SWG meetings to cover Operations and Assurance: SWG Operations Group will review the Security Operations Centre (SOC) and Security Operations Reports (SOR)SWG Assurance Group will review Assurance, PSN, Cyber Essentials/Cyber Essentials Plus and Audit Actions. To enable this approach, we will work with the Commercial teams from CGI and the Council to ensure that this approach is acceptable under the terms of the Contract Ensuring that PSN risks are included and highlighted in the Public Sector Network Plan B report. These risks will also be added to the Council/CGI partnership security risk log and reviewed as part of this.	**Estimated Date: 31/01/2020 Revised Date: 30/06/2021 No of Revisions 2**	Alison Roarty Heather Robb Julie Rosano Layla Smith Michelle Vanhegan Mike Brown Nicola Harvey

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
174	Cyber Security - Public Sector Action Plan RES1808: Issue 1: Critical Operational Cyber Security Controls Stephen Moir, Executive Director of Resources	**Medium**	RES1808: Issue 1: Recommendation 1.2 - Cyber Essentials Accreditation Started	CGI completed a complete manual vulnerability scan of the estate in November 2018 Vulnerabilities identified from this scan are being resolved as part of the Public Services Network remediation action plan. CGI have been formally requested to implement automated vulnerability scanning as a service. To ensure this is in place in time for Cyber Essentials Plus accreditation this automated vulnerability scanning is targeted to be implemented by end of June 2019.	**Estimated Date: 30/09/2019 Revised Date: 01/05/2021 No of Revisions 2**	Alison Roarty Heather Robb Layla Smith Michelle Vanhegan Mike Brown Nicola Harvey
175	Supplier Management Framework and CIS Payments RES1809 Issue 2: Contracts and Grants Management Strategic Direction Stephen Moir, Executive Director of Resources	**High**	RES1809 Issue 2.2: Contract Management Compliance Reviews Started	The C&GM team will design and implement a rolling programme of compliance reviews, focused on the Tier 1 and 2 contracts, this programme to take account of the limited resources in the team, and other ongoing work. The scope of these reviews will, as appropriate, include the recommendations above. Again, this work will be dependent upon active service area engagement and responsiveness, including for service areas to implement identified actions. It is to be noted, however, that the staffing resources in the C&GM team may not be sufficient to include all aspects referred to above, including follow-up and monitoring of implementation.	**Estimated Date: 31/12/2020 Revised Date: 01/05/2021 No of Revisions 0**	Annette Smith Gavin Brown Hugh Dunn Iain Strachan Layla Smith Michelle Vanhegan Mollie Kerr

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 144 176	Supplier Management Framework and CIS Payments RES1809 Issue 2: Contracts and Grants Management Strategic Direction Stephen Moir, Executive Director of Resources	**High**	RES1809 Issue 2.3: Project Governance supporting implementation of the Public Contracts Scotland Tendering technology system Started	This system is already well-established in other public sector partners, and supported by the Scottish Government, and has been identified by Scotland Excel as an appropriate e-solutions system to support contract and supplier management. Training sessions have already been held, including a day session focussed entirely on contract management functionality. All members of the team have had access to the system for a suitable period of time, to allow for learning on a test system and have built up a thorough knowledge of the system's capability to upload contract documentation. The mass upload of contract documentation is a key factor in the successful roll out of the system, and the team continues to get support from contemporary teams in Scottish Government and other public sector partners who have carried this out. Training sessions have been held with a number of contract managers across 4 directorates, focussing on 6 Tier 1 contracts, some with cross-directorate delivery. 40 suppliers have also been involved in the trial to date. The team are continuing to monitor the trial, with regular updates from contract managers and will use all lessons learned to prepare the project plan for full roll out of the system. The C&GM team will design and apply a suitable project management and governance framework to support PCS-T implementation. This will include	**Estimated Date: 31/12/2020 Revised Date: 01/05/2021 No of Revisions 0**	Annette Smith Gavin Brown Hugh Dunn Iain Strachan Layla Smith Michelle Vanhegan Mollie Kerr

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page 145				additional suitable system testing, and training for service area contract managers who would be using the system to store and access contract documentation. As stated above, the team is already also working with public sector partners, to identify best practice to assist the successful roll out the contract management module. Commercial and Procurement Services are already considering the possible adoption of PCS-T as the Council's eProcurement system, bringing an end to end approach to procurement and management of contracts. This work is continuing, and the PCS-T Working Group which has been established within Commercial and Procurement Services will take forward both aspects. If it is decided to adopt PCS-T for the Council's actual procurement processes, and not just contract management, then it is noted that the actual implementation of that would take longer, as there would be a greater direct impact upon other Council services.		

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
Page146177	Asset Management Strategy and CAFM system 18/19 RES1813 Asset Management Strategy and CAFM: Issue 3 - Property and Facilities Management Data Completeness; Accuracy; and Quality Stephen Moir, Executive Director of Resources	**High**	3.1 Ensuring Data Completeness, Accuracy, and Quality Started	Current CAFM users have access to the operational data they need in the system to perform their roles and are also updating the CAFM system with new data. Whilst the vision is to have all property data in CAFM, the volume of property data that could be captured and recorded is near infinite, therefore property data that will retained in CAFM has to be focused on the effort and cost to collect versus the value it provides. The CAFM Business Case includes requirement for a Data Quality Manager, who will be the responsible data steward for Property and Facilities Management (P&FM) data. Their role is not necessarily to collect the data but to ensure rigor and control over it. This will involve ensuring regular reviews of data within the system and ensuring that data is managed and maintained in line with the established CAFM data hierarchy and agreed Council information management policies and procedures. Sharing data steward responsibilities across services is problematic, as they hold responsibility and accountability for the data under their remit. It would be highly unlikely that a data steward from another service would want to take on the additional accountability of data from P&FM. We recommend that P&FM establish their own data steward. The CAFM Business Case includes the delivery of a Data Quality Strategy for P&FM. The objective of the data quality strategy is to attribute	**Estimated Date: 31/03/2016 Revised Date: 01/08/2022 No of Revisions 1**	Alan Chim Andrew Field Audrey Dutton Brendan Tate Gohar Khan Layla Smith Michelle Vanhegan Peter Watton

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
		High		risk and value to the data maintained in the system. Additionally: data change processes and procedures that capture data processing and management in CAFM will be designed and implemented. processes for reviewing data quality, for example, review of condition survey data run in tandem with review of property data every five years, will be designed and implemented. data validation controls within CAFM will be applied; and data quality audit controls for individual data fields available in CAFM will be applied, and audit reports run at an appropriate frequency to identify any significant changes to key data.		
Page 147 178	Asset Management Strategy and CAFM system 18/19 RES1813 Asset Management Strategy and CAFM: Issue 3 - Property and Facilities Management Data Completeness; Accuracy; and Quality Stephen Moir, Executive Director of Resources	High	3.2 Resolution of known data quality issues Started	A reconciliation of the two lists has been performed and there are no obvious discrepancies other than properties which are out with the scope of the survey team. The viability of establishing a referencing system for concessionary lets in the CAFM system will be explored. The volume and value of known concessionary lets across the Council Estate will form part of the Annual Investment Portfolio update which is reported to the Finance and Resources committee. There is an ongoing work stream looking at vacant and disposed properties and the systems updates required.	**Estimated Date:31/03/2016 Revised Date:01/08/2022 No of Revisions: 2**	Alan ChimAndrew FieldAudrey DuttonBrendan TateGohar KhanGraeme McGartlandLayla SmithMichelle VanheganPeter Watton

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
179	Budget Setting and Management RES 1903 Issue 2: Budget setting and management processes Stephen Moir, Executive Director of Resources	**Medium**	RES 1903 Issue 2.1: Budget setting and management processes and timetable Started	Guidance will be developed for budget setting and management as described in the recommendation above and issued to support the 2021/22 budget setting process.	**Estimated Date: 31/12/2020 Revised Date: 01/05/2021 No of Revisions 0**	Alison Henry Annette Smith Emma Baker Hugh Dunn John Connarty Layla Smith Michelle Vanhegan
180	Budget Setting and Management RES 1903 Issue 2: Budget setting and management processes Stephen Moir, Executive Director of Resources	**Medium**	RES 1903 Issue 2.2: Clarity of roles and responsibilities Started	The respective roles and responsibilities for first line budget managers and second line Finance and Change Strategy teams in relation to the annual budget setting and ongoing budget management process will be clearly defined in a procedure document and communicated with documentation reflecting guidance on this matter issued by CIPFA.	**Estimated Date: 31/12/2020 Revised Date: 01/05/2021 No of Revisions 0**	Alison Henry Annette Smith Emma Baker Hugh Dunn John Connarty Layla Smith Michelle Vanhegan
181	Budget Setting and Management RES 1903 Issue 3: Continuous improvement: Lessons learned and customer feedback. Stephen Moir, Executive Director of Resources	**Medium**	RES 1903 Issue 3.2: Finance customer and staff feedback surveys Started	Finance will conduct customer and staff feedback exercises every two years. A feedback process will be developed and implemented that is aligned with the lessons learned methodology as described in recommendation 3.1. In addition, feedback from each exercise will be consolidated and used to generate improvement actions. The survey results and improvement actions will be reported to service managers and staff.	**Estimated Date: 31/12/2020 Revised Date: 01/05/2021 No of Revisions 0**	Alison Henry Annette Smith Hugh Dunn John Connarty Layla Smith Michelle Vanhegan

Ref	Project/Owner	Issue Type	Issue/Status	Agreed Management Action	Dates	Contributor
182	Budget Setting and Management RES 1903 Issue 4: Training for budget managers Stephen Moir, Executive Director of Resources	**Medium**	RES 1903 Issue 4.1: Training for budget managers Started	Finance is not currently responsible for providing training for budget managers as this was centralised into, Learning and Development in 2016. However, following discussions earlier this year, it has been agreed that responsibility for budget managers training will transfer back from Learning and Development to Finance. Once these responsibilities have been transferred, Finance will establish a process to ensure that all first line budget managers have completed the two training modules with supporting checks performed to ensure that the training has been completed. Please note that the 'Evidence required to close' listed above is for indicative purposes only. During Internal Audit's review of any evidence submitted, further supporting evidence may be required to close the action. Evidence should be uploaded to TeamCentral as actions progress and no later than 10 working days before agreed implementation date. This will allow Internal Audit sufficient time to review the evidence.	**Estimated Date: 30/09/2020 Revised Date: 31/12/2021 No of Revisions 1**	Alison Henry Annette Smith Hugh Dunn John Connarty Layla Smith Michelle Vanhegan

This page is intentionally left blank

Governance, Risk and Best Value Committee

10.00am, Tuesday, 23 March 2021

Internal Audit Update Report: 1 November 2020 to 31 January 2021

Item number	
Executive/routine	Executive
Wards	
Council Commitments	

1.   Recommendations

1.1   The Governance, Risk and Best Value is recommended to:

1.2   note the outcomes of completed 2020/21 audits;

1.3   note progress with the delivery of the 2020/21 Internal Audit (IA) plan;

1.4   approve the proposed change to the 2020/21 IA annual plan;

1.5   note the extended delivery timeframes for completion of two audits;

1.6   approve the proposed response to the April 2020 CIPFA Internal Audit Engagement Opinions: Setting Common Definitions Paper; and,

1.7   note the progress of the delivery of IA key priorities and ongoing areas of focus;

Lesley Newdall

Chief Internal Auditor

Legal and Risk Division, Resources Directorate

E-mail: lesley.newdall@edinburgh.gov.uk | Tel: 0131 469 3216

Report

Internal Audit Update Report: 1 November 2020 to 31 January 2021

2.   Executive Summary

2.1   There has been good progress with delivery of the 2020/21 annual plan, with 41 of the 45 planned audits (89% of the plan) either completed or underway.

2.2   Of the 45 planned audits, 36 will be delivered across the Council, and 32 of these (89%) are currently in progress.

2.3   7 audits have now been completed across the Council with 4 assessed as 'some improvement required' (amber) outcomes; and 3 'effective' (green) outcomes.

2.4   IA has completed 3 agile consultancy reviews on the pre-implementation design of Covid-19 grant allocation and administration processes, with feedback on the design of process controls provided to management for their consideration.

2.5   It is proposed that 1 audit is removed from the 2020/21 plan and carried forward into the 2021/22 IA annual plan in response to the impacts of Covid-19.

2.6   Extended delivery timeframes are proposed for 4 audits, reflecting additional time required by Directorates/Divisions to support their delivery due to the ongoing impacts of Covid-19.

2.7   It is proposed that the non-mandatory CIPFA recommendations on Internal Audit Engagement Opinions are not implemented by the Council, and that IA continues to apply its established methodology for allocating opinions to individual audit reports.

3.   Background

2020/21 Internal Audit Annual Plan

3.1   On 29 September 2020, the Committee approved the refreshed 2020/21 IA annual plan that would deliver a total of 45 audits, and also included time for ongoing IA follow-up assurance across the Council.

3.2   Of these, 36 audits will be delivered across the Council, with 9 audits completed for arm's length external organisations (ALEOs).

3.3   This plan includes 11 audits approved by the Committee in July 2020, designed to provide assurance on the design of new and amended processes implemented in response to the Covid-19 pandemic.

3.4   On 8 December 2020, the Committee approved the inclusion of the Edinburgh Tram Network Supplier Arrangements audit, increasing the total number of audits to 46, with 37 of these to be delivered across the Council.

Internal Audit Reports

3.5   Copies of all completed IA reports are currently provided to GRBV Elected Members via Microsoft Teams. Following agreement by the Committee in July 2020, any reports that have either an overall red (Significant Improvement Required) outcome, or include any red (High) rated findings are presented to the Committee for scrutiny. Elected Members may also request presentation of other reports provided that do not meet this criteria at Committee.

3.6   All audits performed for the Lothian Pension Fund (LPF) are subject to separate scrutiny by the Pensions Audit Sub-Committee and the Pensions Committee. Progress with delivery of these audits is included in this paper for completeness.

3.7   Similarly, audits performed for the Edinburgh Integration Joint Board (EIJB) are presented to the EIJB Audit and Assurance Committee for scrutiny, with any reports that are relevant to the Council being subsequently referred to the GRBV Committee.

3.8   Audits performed for the Council that are relevant to the EIJB will be recommended for referral to the EIJB Audit and Assurance Committee by the GRBV Committee.

3.9   All audits performed for other arms-length external organisations are reported to the relevant management teams and audit and risk committees of those organisations as appropriate.

Agile Auditing and Consultancy Support

3.10   Public Sector Internal Audit Standards (PSIAS) permits IA to provide consulting services, providing that the scope is agreed with the client, that they add value and improve an organisation's governance, risk management, and control processes without the internal auditor assuming management responsibility (refer 2220.A2).

3.11   The PSIAS also notes that the results of consulting engagements will vary in form and content depending upon the nature of the engagement and the needs of the client.

3.12   The PSIAS also specifies that details of any consulting services must be included in the annual plan and included in their evaluation of the organisation's control processes.

3.13   A paper on Agile Auditing and Consultancy Support (paper 8.2) was presented to the Committee in July 2020 that detailed IA's methodology and approach supporting delivery of consulting services across the Council, and confirmed that it was compliance with PSIAS requirements.

CIPFA Internal Audit Engagement Opinions: Setting Common Definitions Paper April 2020

3.14 The Chartered Institute of Public Finance and Accountancy (CIPFA) produced a paper in April 2020 that highlighted the importance of, and the benefits associated with, applying standardised opinions to the audit reports produced at the conclusion of each audit engagement, and noted a lack of common practice across the public sector in this area. The paper also includes a recommended set of opinions and supporting definitions for IA teams to use.

3.15 The paper also notes use of the CIPFA standardised definitions is recommended but is not mandated, and that there is no obligation to adopt the definitions where it is not considered appropriate.

3.16 The paper also encourages heads of internal audit to discuss adoption of the proposed CIPFA standardised audit opinions with their audit committees.

4. Main report

2020/21 Plan delivery progress

4.1 Of the 46 audits to be completed:

- 9 are now finalised, including one for the EIJB that was presented to the January 2021 EIJB Audit and Assurance Committee;
- 4 are with management for final approval of the draft report;
- 4 draft reports are currently being prepared;
- 12 audits are in progress;
- 12 audits are currently being planned;
- 4 are not yet started; and,
- 1 audit will be carried forward into the 2021/22 annual plan year.

4.2 Further detail is included at Appendix 1.

Completed reports

4.3 8 audits have now been completed across the Council, including the agile Support for Business Grants consultancy review. Of these, 4 were assessed as 'some improvement required' (amber), and three 'effective' (green).

4.4 The Support for Business Grants was an agile consultancy review of the pre-implementation design of the new grant allocation and administration process. IA advice on the controls to be considered for inclusion in the process design was provided to management, and no audit report was prepared.

4.5 IA has also provided consultancy support on the pre-implementation design of the Covid-19 Taxi and Private Hire Driver Support Fund, and the Covid-19 Scottish Government Discretionary Grant Funding for Businesses. Advice on the controls for inclusion in the design of these processes was also provided to management prior to implementation, and no audit reports prepared.

Governance, Risk, and Best Value Committee 23 March 2021

4.6   A further review that will assess the effectiveness of all Covid-19 grant funding processes has been included in the proposed 2021/22 IA annual plan.

Progress with delivery of Covid-19 Audits

4.7   6 of the 11 Covid-19 audits that were approved by the Committee in June 2020 are now complete, including the Support for Business Grants agile consultancy review detailed above, for which no final report was prepared.

4.8   The outcomes of the 5 completed Covid-19 audits where reports were produced are two 'effective' (green); and three 'some improvement required' (amber).

4.9   The remaining 5 Covid-19 reviews are in progress, with 3 draft reports with management for review, and 2 draft reports currently being prepared. It is expected that these will be completed by the end of March 2021.

Proposed Change to the 2021/21 IA Annual Plan

4.10   The 2020/21 IA annual plan includes an audit of the Development and Implementation of the Council's Carbon Neutral / Climate Change Strategy.

4.11   Management has advised that development of the strategy has been impacted by Covid-19, and that the Council's emissions plan will now be prepared by October 2021.

4.12   Consequently, it is proposed that this audit is removed from the 2020/21 plan and instead included in the proposed 2021/22 IA annual plan.

Extended Delivery Timeframes

4.13   It is proposed that delivery timeframes for 3 audits included in the 2020/21 annual plan for delivery across the Resources Directorate, and the GRBV Committee Effectiveness review are extended to May 2021 in response to the ongoing Covid-19 impacts on Directorates/Divisional workloads.

4.14   It is expected that these audits will be completed in time to support preparation of the Council's 2020/21 IA annual opinion.

4.15   The 3 Resources Directorate related audits are:

- Council Tax and Business Rates;
- Fraud and Serious Organised Crime; and,
- Direct Access and Mobile Device Management.

CIPFA Internal Audit Engagement Opinions: Setting Common Definitions Paper April 2020

4.16   Following review of the CIPFA recommendations that public sector IA teams adopt a standard approach for reporting opinions on IA engagements; review of current IA methodology; and feedback obtained from 14 of the 32 Scottish Local Authority IA teams, it is proposed that IA continues to apply its established methodology with no change.

4.17   A comparison has been performed between the proposed CIPFA engagement reporting opinions and those currently applied by the IA team, which confirms that the current IA methodology is broadly aligned with the CIPFA proposals. Further detail is included at Appendix 2.

4.18   Feedback has also been obtained from 14 of the 32 Scottish Local Authorities on whether they plan to implement the CIPFA recommendations. Of these:

- 1 will apply the new CIPFA reporting opinions with effect from 2021/22;

- 2 are currently undecided; and,

- 11 will not implement the CIPFA recommendations.

4.19   Further detail is included at Appendix 3.

Progress with Internal Audit key priorities

4.20   Progress with IA key priorities and ongoing areas of focus is detailed below:

4.20.1   Induction and development of new team members;

4.20.2   Internal quality review of the IA follow-up process;

4.20.3   The Institute of Internal Auditors has been engaged to support delivery of the GRBV Committee Effectiveness Audit which is now underway;

4.20.4   Procurement of a new co-source provider is in progress, as the current PwC co-source arrangements will conclude on 31 March 2021. The existing PwC contract will be extended to support completion of audits where timeframes have been extended due to the ongoing impacts of Covid-19.

4.20.5   Procurement of external services to support completion of an external IA quality assessment 2021/22 in line with Public Sector Internal Audit Standards (PSIAS) requirements is also in progress;

4.20.6   Specification and procurement of a new IA system as the current system will be out of support in circa 18 months. It is hoped that a combined Internal Audit and Risk Management system can be procured and implemented; and,

4.20.7   Developing and publishing new IA pages on the refreshed intranet (the Orb) in alignment with the refresh of Corporate Risk Management pages.

5.   Next Steps

5.1   IA will continue to monitor progress with plan delivery and the other activities noted in this report.

6. Financial impact

6.1   There are no financial impacts directly arising from this report.

7. Stakeholder/Community Impact

7.1   If Internal Audit cannot deliver the agreed annual plan, it will be unable to provide assurance regarding how effectively the Council is managing its most significant risks.

8. Background reading/external references

8.1   Approved IA 2020/21 annual plan September 2020 - item 8.1

8.2   Addition to the 2020/21 Internal Audit Annual Addition to the 2020/21 Internal Audit Annual Plan - item 11.2

8.3   Public Sector Internal Audit Standards

8.4   CIPFA: Internal Audit Engagement Opinions - setting common definitions

9. Appendices

9.1   Appendix 1   Summary of 2020/21 IA Plan Delivery Progress

9.2   Appendix 2   Comparison: Council Ratings and Descriptions to Proposed CIPFA Ratings and Definitions

Appendix 1 – Summary of 2020/21 IA Plan Delivery Progress as at 31 January 2021

Audit Review		
Completed Audits	**Report Rating**	**Available for Committee**
1. Covid-19 Newly Self-Employed Grant Application Process	**Effective**	March 2021
2. Covid-19 Purchase and allocation of Personal Protective Equipment (PPE)	**Effective**	
3. Covid-19 Allocation of estimated Scottish Qualifications Authority (SQA) grades	**Some improvement required**	
4. Covid-19 Health and Social Care Command Centre	**Some improvement required**	
5. Covid-19 Workforce Management during Covid-19	**Some improvement required**	
6. Payroll – 2019/20 Employee Lifecycle Data and Compensation and Benefits Processes	**Effective**	
7. *Digital Services Change Implementation	**Some Improvement Required**	
8. **EIJB Capital and Workforce Planning	Reported to the January EIJB Audit and Assurance Committee	
9. Covid-19 Support for Business Grants – consultancy review of the design of the new process prior to implementation. Advice on the controls for inclusion in the design of was provided to management, and no audit report was prepared.		
Total completed audit / consultancy reviews	**9**	
Draft Reports Issued to Management	**Expected Completion**	
10. Covid-19 Spaces for People	March 2021	
11. Covid-19 Supplier Relief		
12. Covid-19 Employee Testing		
13. **Lothian Pension Fund – Bulk Transfers (PwC)		
Total draft reports issued to management	**4**	
Draft Reports Being Prepared	**Expected Completion**	
14. Covid-19 Shielding and Vulnerable People	March 2021	
15. Covid-19 Data and Scottish Government Returns		
16. Registrations and Bereavement Services		
17. Edinburgh Tram Network Infracompany Supplier Management Arrangements	April 2021	
Total reports being prepared	**4**	
Audits in progress	**Expected Completion**	
18. **Royal Edinburgh Military Tattoo - Data Protection Review	March 2021	

Governance, Risk, and Best Value Committee 23 March 2021

	Audit Review	
19.	**SEStran - Covid-19 Resilience Arrangements	
20.	Arm's Length External Organisations (ALEOs) (PwC)	
21.	Public and Private Partnership and Design, Build, Finance, and Maintain Schools - Contract Management	
22.	Parking and Traffic Regulations	
23.	Health and Safety - Managing Aggressive and Violent Behaviour	
24.	Physical Distancing and Employee Protection	April 2021
25.	Covid-19 Lessons Learned	
26.	*Technology Resilience (PwC)	
27.	**Lothian Pension Fund – Employee Cessation Strategies, Valuations, and Exit Calculations (PwC)	
28.	Tram – extension to Newhaven	Ongoing agile audit
29.	Enterprise Resource Planning (ERP)	Ongoing agile audit
Total reviews in progress		**12**
Audits currently being planned		**Expected Completion**
30.	Chief Social Work Officer's Assurance and Annual Report	
31.	Management of waiting lists and assessments	
32.	GRBV Committee Effectiveness review	
33.	**EIJB Management Information	
34.	**EIJB Financial Management	
35.	**Lothian Valuation Joint Board	April 2021
36.	Fraud and Serious Organised Crime (including Physical Security controls)	
37.	Health and Safety - Implementation of asbestos recommendations (PwC)	
38.	*Learning and Teaching Technology Network Management (PwC)	
39.	*Corporate Network Management (PwC)	
40.	*Direct Access and Mobile Device Management (PwC)	July 2021
41.	Council Tax and Business Rates	July 2021
Total reviews at planning stage		**12**
Audits not yet started		**Expected Completion**
42.	Active Travel – Project Management and Delivery	To be confirmed
43.	Adaptation and Renewal Programme Governance	To be confirmed
44.	Development of the Council's Technology Strategy	To be confirmed
45.	**Lothian Pension Fund - Technology Model Development	To be confirmed

Governance, Risk, and Best Value Committee - 23 March 2021

Audit Review	
Total reviews not yet started	**4**
Audits to be carried forward into the 2021/22 annual plan	
46. Development and Implementation of the Council's Carbon Neutral / Climate Change Strategy	Deferred
Total reviews deferred	**1**

* reviews where support is required from CGI

** reviews performed for Arm's Length External Organisations

Appendix 2 – Comparison: Council Ratings and Descriptions to Proposed CIPFA Ratings and Definitions

Current Council Ratings and Descriptions		Proposed CIPFA Ratings and Definitions	
Effective	The control environment and governance and risk management frameworks have been adequately designed and are operating effectively, providing assurance that risks are being effectively managed, and the Council's objectives should be achieved.	Substantial Assurance	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Some improvement required	Whilst some control weaknesses were identified, in the design and / or effectiveness of the control environment and / or governance and risk management frameworks, they provide reasonable assurance that risks are being managed, and the Council's objectives should be achieved.	Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Significant improvement required	Significant and / or numerous control weaknesses were identified, in the design and / or effectiveness of the control environment and / or governance and risk management frameworks. Consequently, only limited assurance can be provided that risks are being managed and that the Council's objectives should be achieved.	Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Inadequate	The design and / or operating effectiveness of the control environment and / or governance and risk management frameworks is inadequate, with a number of significant and systemic control weaknesses identified, resulting in substantial risk of operational failure and the strong likelihood that the Council's objectives will not be achieved.	No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

This page is intentionally left blank

Governance, Risk and Best Value Committee

10:00am, Tuesday, 23 March 2021

Internal Audit Annual Plan 2021-22

Item number
Executive/routine   Executive
Wards
Council Commitments

1. Recommendations

1.1 The Governance, Risk and Best Value Committee is recommended to review and approve 2021/22 Internal Audit plan and supporting risk assessment.

Lesley Newdall

Chief Internal Auditor

Legal and Risk, Resources Directorate

E-mail: lesley.newdall@edinburgh.gov.uk | Tel: 0131 469 3216

Internal Audit Annual Plan 2021-22

2. Executive Summary

2.1   The purpose of this paper is to present the draft Internal Audit (IA) plan and supporting IA risk assessment for the period 1 April 2021 to 31 March 2022 (the 2021/22 plan) to the Committee for approval.

Plan Assumptions

2.2   Recognising the ongoing Covid-19 resilience challenges that continue to impact the Council and the need to ensure that the risks associated with open IA findings are effectively addressed by Directorates and Divisions, assurance coverage in the 2021/22 annual plan has been maintained at the same reduced level as the prior year annual plan.

2.3   It is expected that this approach will enable the Council to focus on their ongoing Covid-19 resilience activities; re-establishing services post-Covid; closure of open IA findings; and implementation of refreshed first line governance and assurance arrangements in line with the commitment made by the Chief Executive to the Committee.

2.4   The risk associated with adopting this approach is a reduced level of assurance on the effectiveness of 'business as usual' operational service delivery controls that may have been impacted as a result of focusing on Covid-19 resilience activities.

2.5   This assurance risk is mitigated to an extent by the inclusion of a validation audit that will confirm whether actions implemented to address previously closed IA findings have been effectively implemented and sustained; and an increased number of follow-up days in response to the Council's increased focus on timely closure of current IA findings and implementation of actions to address overdue findings.

2.6   It is not proposed that reliance will be placed on assurance carried out by first or second lines of defence as there is currently no clearly established assurance framework model upon which IA can properly rely to support the 2021/22 Internal Audit Annual Opinion, and Local Area Network members have confirmed that they are reducing their assurance in response to the impacts of Covid-19.

2.7 Another impact of the reduced IA assurance coverage proposed for 2021/22 and delivered in the prior two plan years combined with IA time allocated to follow-up, is that IA cannot provide assurance across all areas of the Council on a rolling 3-year basis. Consequently, it is proposed that the current audit coverage requirement is extended from 3 to 5 years, and reassessed when a risk-based follow-up approach is implemented.

2.8 The methodology applied to the risk and control effectiveness assessments supporting the IA annual plan has been revised to align with the Council's refreshed operational risk management framework and the methodology supporting preparation of the annual opinion.

2.9 Whilst the PSIAS requires completion of an annual risk assessment, and determination of appropriate ongoing assurance coverage across the organisation, it does not specify the methodology to be applied to in these areas. Consequently, the changes proposed above will not result in non-conformance with PSIAS requirements.

2.10 Further detail on the refreshed original risk; control assessment; and audit requirement methodologies is included in the 2021/22 IA annual plan. at Appendices 1 and 2.

Plan Summary

2.11 The draft 2021/22 annual plan includes a total of 46, with 36 audits (including follow-up days) to be delivered across the Council, which is aligned with 2020/21 IA plan coverage.

2.12 The number of follow-up days included in the plan has been increased to 625 days support Directorates and Divisions with closure of open IA findings.

2.13 The IA resourcing model has confirmed that IA is currently adequately resourced to support delivery of the proposed plan.

2.14 It is IA's opinion that the plan is appropriately structured to cover the Council's most significant strategic; operational; and Covid-19 risks.

3. Background

Plan Preparation Process

3.1 The IA plan is driven by Public Sector Internal Audit Standards (PSIAS) requirements; the Council's organisational objectives and priorities; and an assessment of the risks that could prevent the Council from meeting those objectives and providing services to citizens.

3.2 The approach applied in developing the plan considered the outcomes of work performed by across the Council by other second and third lines of defence assurance providers, and the extent to which reliance can be placed upon them.

3.3   The Audit Scotland Code of Audit Practice 2016 and PSIAS requirements have also been considered and a coordinated and integrated approach with Azets (the Council's External Auditors) and members of the Council's Local Area Network (LAN) has been applied in developing the plan.

3.4   The risk assessment performed by IA that supports development of the annual plan and drives the frequency of coverage across service areas is based upon a review of the Council's current risk registers; ongoing IA attendance at quarterly Corporate Leadership Team (CLT) and Directorate Risk Committee meetings; knowledge of new projects and initiatives undertaken by the Council; consideration of prior year Internal Audit findings; and consideration of the current open and overdue Internal Audit findings position.

3.5   Adequacy and capability of Internal Audit resources has also been reviewed in line with PSIAS requirements to confirm whether sufficient resources, skills and capability are available to support delivery of the plan.

Prior Year Coverage

3.6   Analysis was performed in September 2019 that compared audit coverage in Edinburgh with the 22 Scottish Local Authorities who publish their annual IA plans. Calculation of the number of days IA coverage as a percentage of £m revenue confirmed that 16 of the 22 authorities had higher levels of IA coverage per £m of income in comparison to Edinburgh. This analysis confirmed that Edinburgh audit coverage in 2019/20 was not excessive in comparison to other Scottish authorities.

3.7   The 2019/20 IA annual plan included a total of 51 audits; with 42 to be delivered across the Council and 9 for arms-length and external organisations.

3.8   In response to the Covid-19 pandemic, IA paused their assurance activities and, in June 2020, the Committee approved the delay and carry forward of 13 audits from 2019/20 into the following plan year, with a total of 31 completed audits (including progress with two ongoing agile project audits) forming the basis of the 2019/20 IA annual opinion for the Council.

3.9   Recognising the ongoing Covid-19 challenges faced by the Council, the 2020/21 IA annual plan approved in September 2020 included 37 audits to be delivered across the Council.

Internal Audit Follow-Up

3.10   The IA follow-up process is designed to confirm that findings raised in previous audits have been effectively implemented. IA does not currently apply a 'risk-based' follow-up approach based on the need to further improve risk and control awareness and embed the risk and control culture across the Council. Consequently, all IA findings raised in audit reports regardless of their ratings are reviewed by IA to confirm that that the agreed management actions have been effectively implemented and sustained. This approach will be reviewed annually.

4.   Main report

Plan Content

4.1   The draft 2020/21 annual plan includes a total of 46 audits (including follow-up days, with 36 audits to be delivered across the Council, which is aligned with 2020/21 IA plan coverage.

4.2   The draft plan currently includes 2 low risk audits requested annually by the Department for Transport and the Scottish Government. Both organisations have been contacted to request deferral of these audits for a further year. If this is agreed, the number of audits to be delivered across the Council will reduce to 34.

4.3   As in previous years, 10 audits will be delivered for arm's length and external organisations: 4 for the Lothian Pension Fund, and the remaining 6 for the Lothian Valuation Joint Board (1); SEStran (1); the Edinburgh Royal Military Tattoo (1) and the Edinburgh Integration Joint Board (3).

4.4   The plan includes 7 Council-wide and cross Divisional reviews that have been included to provide assurance on the key controls established to manage the most significant risks associated with services and processes that span across the Council.

Follow-up

4.5   The number of follow-up days included in the plan has been increased from 500 days for 2020/21 (the equivalent of circa 20 completed audits) to 625 days (the equivalent of circa 25 completed audits) to support directorates and divisions with closure of open IA findings. This allocation of available assurance days to follow-up activity also reflects that IA does not currently apply a 'risk based' follow up approach.

4.6   Reliance will be placed on IA follow-up work to provide assurance across the risks managed by the following Divisions, where assurance is required (based on IA audit coverage model outcomes) and no specific audit coverage is planned:

- **Safer and Stronger Communities** - Homelessness and Housing Support;
- **Place Management** - Waste and Cleansing; and,
- **Place Management** - Roads and Transport Infrastructure.

4.7   It is important to note that if agreed management actions associated with open IA findings are not implemented on time, and/or implementation dates extended, then only limited assurance will be obtained from the ongoing follow-up process, which could potentially affect the ability of the Chief Internal Auditor to provide an annual assurance opinion for 2021/22.

IA Capacity

4.8 The IA resourcing model has confirmed that IA is currently adequately resourced to support deliver of the proposed plan.

4.9 The resourcing model allows for potential sickness absence, and reserves time (circa 30% of available days) to support team training and personal development; performance and operational management activities; ongoing audit system enhancement; and governance and committee reporting activities.

4.10 Contingency time (circa 40 days) has been included in the proposed plan, and is also included in the time reserved to support the administrative activities performed by the IA team.

4.11 If permission is received to defer the two low risk audits requested annually by the Department for Transport and the Scottish Government outlined above, contingency time will increase to circa 80 days, which is the equivalent of approximately 3 audits.

Assurance Coverage

4.12 It is IA's opinion that the plan is appropriately designed to cover the Council's most significant strategic; operational; and Covid-19 risks, which have been mapped to the individual audits included in the draft plan.

4.13 IA's assessment of original service delivery risks and recent IA coverage across the Council identified a total of 11 areas where no recent assurance has been provided, and no new audit coverage is included in the proposed plan. Further detail is included at section 3.3.2 of the proposed IA annual plan included at Appendix 1.

4.14 Some of these areas have been included in the reserve list of audits supporting the plan. Further detail on the use of the reserve list is included below.

IA Quality Assurance and Training

4.15 The plan also includes time for the IA team to complete an internal quality (IQA) assessment as per PSIAS requirements, and time to support completion of the external quality assessment (EQA) during 2021/22 to comply with the five-year EQA cycle requirement specified in the standards.

4.16 Time has also been included (5 days) for delivery of one half day of training per quarter that will be open to all employees; and IA attendance at, and involvement in, new start and senior management induction training.

Partnership Working

4.17 The draft plan has been discussed with Azets (the Council's currently appointed external auditors); Audit Scotland; and other Local Area Network (LAN members) in line with the requirements of the Audit Scotland Code of Audit Practice 2016 (section 33) that requires external auditors to coordinate their work with IA; Audit Scotland; other external auditors; and relevant scrutiny bodies to secure value for

money by removing unnecessary duplication and provide a clear programme of scrutiny activity for audited bodies.

4.18   A co-ordinated and integrated approach with Azets will be adopted in relation to the ongoing audit of two major projects where IA and Azets will work together to deliver assurance. Azets has identified a further 5 audits where they will endeavour to take account of the work performed by IA to support their 2020/21 financial statements review.

4.19   Further detail on the coordinated and integrated approach with External Audit; Audit Scotland; and Local Area Network members is included at section 3.3.3 of the proposed IA annual plan included at Appendix 1.

Ongoing co-source support

4.20   Support will be required to deliver 10 specialist audits covering Digital Services; Health and Safety; and the Lothian Pension Fund. This will leave a balance of 36 audits (including follow-up) to be delivered by the Council's Internal Audit team.

4.21   The current co-source arrangement with PwC will conclude on 31 March 2021, and procurement is currently underway to establish new co-source arrangements in advance of the 2021/22 plan year.

Reserve List

4.22   Recognising the need to potentially revise the IA plan to reflect the Council's changing risk profile and organisational changes, a 'reserve list' of audits has also been prepared that have not been included in the plan. Where any planned audits cannot be completed (for example, where a decision has been taken that a major project will not now progress), the risks associated with the areas included on the reserve list will be considered and an alternative audit selected.

Reliance on other assurance providers

4.23   Whilst assurance work performed by other second and third line assurance providers have been considered as part of the risk assessment processes, Internal Audit will not place reliance upon these other sources of assurance to support the 2018/19 annual Internal Audit Opinion.

5.   Next Steps

5.1   Once approved by the GRBV Committee, the IA plan will be shared with the Corporate Leadership Team, Heads of Service and Senior Service Managers, with reviews commencing from 1 April 2021.

6.   Financial impact

6.1   There is no direct financial impact arising from this report.

7.   Stakeholder/Community Impact

7.1   The Corporate Leadership Team; Senior Management; Trade Union colleagues; political groups; elected members of the Governance, Risk and Best Value Committee; and members of the Council's Local Area Network have been consulted and engaged when developing the plan.

8.   Background reading/external references

8.1   Public Sector Internal Audit Standards

8.2   Process for approving changes to the Internal Audit plan

9.   Appendices

9.1   Appendix 1 – Internal Audit annual plan 2021-22

The City of Edinburgh Council

Proposed Internal Audit Annual Plan 2021/22

Contents

1. Introduction and Approach

1.1 Introduction

This document sets out the scope of the Internal Audit (IA) 2021/22 annual plan that will be delivered during the 2021/22 financial year, with the objective of the delivering independent assurance on the key controls established across the Council to mitigate its most significant risks.

1.2 Approach

A summary of the approach applied when assessing the Council's key risks and preparing the annual plan is set out below in Figure 1. The IA plan is driven by the requirements of Public Sector Internal Audit Standards (PSIAS); the Council's organisational objectives and priorities; and an assessment of the risks that could prevent the Council from meeting those objectives and providing services to citizens. A more detailed description of our risk assessment approach can be found at section 2 below and in Appendices 1 and 2.

Figure 1: Approach applied in developing the 2021/22 IA Annual Plan

Step 1 Review Public Sector Internal Audit (PSIAS) requirements	• Review PSIAS to confirm that there have been no changes in relation to annual planning requirements.
Step 2 Understand the Council's objectives and risks	• Obtain information about the external and internal risks that could impact the Council.
Step 3 Consider the Audit universe and other sources of	• Identify all auditable areas across the Council (these can be Service Areas, Council-wide processes, or locations) and consider other sources of assurance provided across the three lines model.
Step 4 Assess the inherent risk	• Assess the inherent (pre-controls) risks associated with each auditable area based on the likelihood that the risk will crystallise and its potential impact.
Step 5 Assess the strength of the control environment	• Assess the strength of the control environment within each auditable area (considering assurance outcomes across the three lines of defence) to identify those areas with a high reliance on key operational or manual controls.
Step 6 Calculate the audit frequency requirement rating	• Calculate the audit frequency requirement rating considering the inherent risk assessment and the strength of the control environment for each auditable area.
Step 7 Determine the audit plan	• Based on the outcomes of steps 4, 5 and 6, determine the timing and scope of audit work required.
Step 8 Other considerations	• Consider any requirements in addition to those identified from the risk assessment process.

1.3 Public Sector Internal Audit Standards Requirements – Step 1

The IA plan has been developed based on the requirements of the Public Sector Internal Audit Standards (PSIAS) originally published in April 2013 and last refreshed in April 2017, which specify that:

- the Chief Internal Auditor (CIA) must develop a risk based plan that is consistent with the organisation's goals, and determines the priority of IA activity;
- the plan must be based on a documented risk assessment, undertaken at least annually, with input from senior management and the board (the Corporate Leadership Team);
- the CIA must consult with senior management and the Corporate Leadership Team (CLT) to obtain an understanding of the organisation's strategies, key business objectives, and associated risks and risk management processes;
- the plan must consider the requirement to produce an annual Internal Audit opinion;
- the plan must incorporate or be linked to a strategic or high-level statement of how Internal Audit assurance will be delivered and developed in accordance with the Internal Audit charter and how it links to organisational objectives and priorities;
- the CIA must communicate the Internal Audit plan and resource requirements, including significant interim changes, to senior management and the CLT for review and approval;
- the CIA must ensure that Internal Audit resources are appropriate, sufficient; and effectively deployed to achieve the approved plan;
- the plan must explain how internal audit's resource requirements have been assessed. Where the CIA believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the CLT; and
- the CIA must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems, and controls.

1.4 Understand the Council's Objectives and Risks – Step 2

The annual IA plan is based on an annual assessment performed by IA of the key risks across the Council's Directorates; Divisions; and Services (the audit universe). The outcomes of the risk assessment process are included at Section 2.

The risk assessment process normally involves attendance at relevant risk committees and governance meetings; combined with stakeholder engagement across the Council to understand perspectives on the Council's objectives and new and emerging risks; engagement with Elected Members; and Local Area Network Members (including the Care Inspectorate; Education Scotland; and the Housing Regulatory Authority).

During the Covid-19 pandemic, reliance has also been placed on review of the documents detailed below combined with attendance at the twice weekly Corporate Incident Management Team (CIMT) and fortnightly Council wide Risk Forum meetings to identify the key risks and challenges currently facing the Council:

Review of the following documents was also performed:

- the Covid-19 risk management plan
- the Council's current Corporate Leadership Team risk register;
- projects and initiatives currently included in the Council's major projects portfolio;
- the Council's financial and performance management information;

2

- the outcomes of any assurance reviews performed by LAN members;
- progress with implementation of agreed management actions to support closure of open and overdue Internal Audit findings.

Further details on the risk based approach and methodology applied are included at Appendices 1 and 2.

1.5 The Audit Universe and other assurance providers – Step 3

The Council's audit universe is essentially its entire organisational structure. For completion of the risk assessment and development of the annual plan, the structure has been divided into the elements of the central support services within the Council's established Directorates and Divisions.

1.5.1 Corporate Risk Management

As the CIA is also responsible for the Council's Corporate Risk Management team, the IA Principal Audit Managers (PAMs) have independently considered whether a risk management audit should be included in the 2021/22 annual plan, and have concluded that this is not required.

This conclusion is based on the recent (June 2020) Risk Management Audit completed by Scott Moncrieff (now Azets) and the ongoing independent assurance that will be provided in 2021/22 by Azets to validate that agreed actions to address the 2 High and 3 Medium rated IA findings raised have been effectively implemented and sustained.

Progress with implementation of any open Risk Management findings is also monitored through the established IA process and reported monthly to the Corporate Leadership Team and quarterly to the Governance, Risk and Best Value Committee.

1.5.2 Adaptation and Renewal Programme and Major Project Assurance

The Strategic Change and Delivery team within the Strategy and Communications Division has developed and implemented a new approach to the management of change delivered by projects included in the Council's Major Projects Portfolio to ensure effective oversight of the Portfolio and application of a consistent project management approach across all significant projects.

This approach was refreshed to support implementation of the Adaptation and Renewal Programme (the A&R Programme) that was established In May 2020 to support the Council's recovery from the Covid-19 pandemic and the future adaptation and renewal of both Council services and the city.

The Programme includes five interlinked workstreams, and the projects included in the Major Projects Portfolio have been mapped across into relevant workstreams and will now be delivered through the Programme.

An initial review of A&R Programme governance was included in the 2020/21 IA annual plan, and a further agile review has been included in the proposed 2021/22 annual plan to assess the design of key A&R Programme deliverable prior to implementation. IA will also continue with the ongoing agile reviews of the Tram to Newhaven and Enterprise Resourcing Planning projects during 2021/22.

These projects have not been included as auditable areas for the purposes of the risk assessment supporting the plan as delivery responsibilities are allocated across all Council directorates.

1.5.3 Localities Model

Both the Edinburgh Health and Social Care Partnership / Integration Joint Board and the Council's Place Directorate currently operate locality models, where services provided by the Council are grouped and managed under four geographic localities (North East; North West; South East; and South West) that are

common to both the Council and other public and third sector organisations across Edinburgh. Localities are also supported by the 12 existing Neighbourhood Partnerships.

Whilst Localities have not been identified as distinct auditable areas within the plan, audit work performed will cover how Council services are provided across the four Localities and will consider the potentially different risk profiles across the Localities.

1.5.4 Centre visits

Whilst no specific centre based reviews (for example depots; libraries; and cultural venues) have been included in the 2021/22 plan, the Council Wide audits of Fraud and Serious Organised Crime; Managing aggressive and Violent Behaviour; Social Distancing and Employee Protection are likely to focus on some Council centres and schools. Given the current restrictions in place in response to Covid-19, these audits will be performed remotely.

1.5.5 Lothian Pension Fund

The Council's IA team also provides audit services to the Lothian Pension Fund. This comprises three or four audits each year and a total of circa 75 - 100 audit days. These outcomes of these audits will be reported to the Pensions Audit Sub-Committee and Pensions Committee and will not be subject to scrutiny by GRBV.

1.5.6 Edinburgh Integration Joint Board

Audit services are also provided by the Council's IA team to the Edinburgh Integration Joint Board (EIJB) This comprises three audits each year and a total of 75 audit days. These audits are performed for the EIJB and will not be subject to scrutiny by GRBV. However, it is expected that the EIJB Audit and Assurance Committee would refer any relevant internal audit reports to GRBV under the existing reciprocal referral arrangements.

1.5.7 Other Organisations

Assurance is also provided by the Council's IA team to three external arm's length organisations (the Lothian Valuation Joint Board; the Royal Edinburgh Military Tattoo; and the South East of Scotland Transport Partnership (SEStran)). This involves one audit for each organisation and a total of 75 audit days.

1.5.8 The Three Lines Model

The approach applied in developing the plan also considers Internal Audit's role as one of the Council's 3rd line independent assurance providers. The diagram below outlies the three lines assurance model.

Figure 2: The Three Lines Model

1st line	**2nd line**	**3rd line**
Directorates /Divisions	**Monitoring and Oversight Activities**	**Independent Assurance**
Apply front line day to day operational control frameworks designed to manage service delivery risks (the 'doers')	Ownership of policies and monitoring and oversight of adequacy and effectiveness of front line operational frameworks and controls established to ensure ongoing compliance (the 'helpers')	Risk based independent assurance provided by IA and other external assurance providers on the design adequacy and operating effectiveness of first line service delivery control frameworks and second line oversight (the 'checkers')

4

It should be noted that some second line teams (for example Human Resources and Finance) may also have responsibility for ongoing first line service delivery in addition to owning the policies and frameworks that should be applied by all first line service delivery teams.

1.5.9 Other sources of assurance – 2nd and 3rd Lines

In developing the IA risk assessment and plan we have considered other sources of assurance provided to the Council across the second and third lines of defence and have assessed the extent to which reliance can be placed upon them. These include:

- **Second Line** - Risk Management; Corporate Health and Safety; Information Governance; Resilience; Strategic Change and Delivery; Procurement (including Contracts and Grant Management); Human Resources; Finance; and Quality, Governance, and Regulation.
- **Third Line** – Local Area Network members which include the Care Inspectorate; Education Scotland; the Housing Regulator; Audit Scotland and external audit (Azets);
- **Third Line** – Other regulatory authorities who may perform reviews (for example, the Health and Safety Executive; the Scottish Government; and the Information Commissioner's Office).

IA does not place reliance upon these other sources of assurance to support the annual opinion. However, the outcomes of reviews performed by the second and third lines were considered when assessing the strength of the control environment for each auditable area as part of the risk assessment process.

1.5.10 Coordinated and Integrated approach with External Audit

The Audit Scotland Code of Audit Practice 2016 notes (at section 33) that it is important that external auditors coordinate their work with IA; Audit Scotland; other external auditors; and relevant scrutiny bodies to recognise the increasing integration of service delivery and partnership working within the public sector as this helps secure value for money by removing unnecessary duplication and provides a clear programme of scrutiny activity for audited bodies.

The PSIAS also notes that when preparing the annual plan, the CIA should share information, coordinate activities, and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of effort.

To support this objective, IA and external audit have worked together to identify areas of planned assurance where a coordinated and integrated approach will be applied, with internal and external audit (Azets) either working in partnership to deliver assurance or external audit taking account of IA reviews. Further details of the specific reviews are included at section 3.5.3 below.

1.5.11 Coordinated and Integrated approach with Local Area Network (LAN) Members

Discussions with Audit Scotland and external audit has confirmed in relation to the LAN (refer 1.5.8 above for details) that Local Scrutiny Plans detailing planned LAN scrutiny activity across the Council (based on a shared risk assessment undertaken by LAN members) will no longer be prepared.

IA has engaged with individual LAN members to confirm that there is no obvious duplication between the 2021/22 IA annual plan and any planned LAN scrutiny reviews.

2.   Risk assessment – Steps 4 to 6

2.1   Risk assessment Approach and Methodology

In developing the annual plan, we have considered the PSIAS requirement to produce an annual Internal Audit Opinion by determining the IA coverage required to provide assurance over the Council's audit universe and most significant risks.

Original Risk and Control Effectiveness Assessment

Each of the original (pre-controls) risks associated with Council services has been assessed based on the impact and likelihood that that they will crystallise, and the strength of the current control environment; and the outcomes of reviews performed by other second and third line assurance providers.

The original risk and control effectiveness assessment methodology has been refreshed for the 2021/22 annual plan to better align with the Council's refreshed operational risk management framework and control effectiveness assessments currently applied to individual IA reports and the annual opinion.

Audit Coverage Requirement

Review of prior year annual plans also confirmed that it is not currently possible to ensure coverage of all Council areas at least once every three-years.

This is due to the allocation of 625 audit days to follow-up activity (the equivalent of circa 25 audits) as a risk based follow up approach is not currently applied, reflecting the need for improved risk and control awareness and an embedded risk and control culture across the Council. The potential to implement a risk based follow up approach continues to be reconsidered annually.

Whilst the number of follow-up days required will always vary in line with the volume and significance of IA findings raised, it is expected that adopting a risk based approach would significantly reduce the follow-up time required, enabling IA to focus on other areas of the Council that have not recently been covered.

Consequently, the three year audit coverage requirement has been reconsidered and refreshed to cover all areas at least once every five years, with focus on highest risk areas and follow-up of all agreed management actions prior to closure. A refreshed audit coverage methodology to calculate the frequency of audits for each area has also been introduced.

Further detail on these refreshed original risk; control assessment; and audit requirement methodologies is included at Appendices 1 and 2.

The impact of Covid-19 on the Council's Risk Profile

The Council's existing risk profile has changed significantly since March 2020 due to the impact of the Covid-19 pandemic, and details of the nine new strategic Covid-19 risks impacting the Council are recorded in the Covid-19 Risk Management Plan (RMP).

The IA risk assessment has been mapped to the 11 strategic risks included in the CLT risk register that was presented to the GRBV in December 2020 and the nine current Covid-19 RMP risks.

2.2 Risk assessment Outcomes

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
Resources								
Customer and Digital Services Digital Services • Enterprise Architecture and ICT Security • Change Management • Commercial • Commercial • Systems Development • Services and System Support	●	🟠	2	Y	Y	Y	Y	**Original Risk Assessment -** the critical rating reflects the significance of technology in supporting delivery of services, and the significance and criticality of the established CGI partnership arrangements supporting delivery of the Council's technology operations. **Relevant CLT Risks -** reflected in the Service Delivery; Technology and Information; and Supplier, Contractor, and Partnership Management CLT risks which have high and critical original risk assessments. **Covid-19 impact** – increased dependency on the Council's network security and technology resilience arrangements to support both remote and new ways of working (for example, use of personal devices). These impacts are covered by the strategic Technology and Information risk included in the Covid-19 RMP. **Control Effectiveness Assessment** – 'some improvement required' rating reflects recent assurance outcomes and progress with implementation of IA findings. **2021/22 coverage** - Further coverage is included in the 2021/22 IA annual plan to utilise the two free CGI contractual audits, combined with ongoing IA validation of open assurance findings. External audit (Azets) will also provide assurance on key financial systems technology controls.
Customer and Digital Services	●	🔴	1	Y	Y	Y	Y	**Original Risk Assessment –** the critical rating reflects that Customer Services is the key point of contact for citizens requesting services; highlighting emergencies; or making

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
Customer Services • Customer Care and Complaints • Contact Centres • Revenue and Applications • Citizens Account • Intelligent Automation								complaints, and is also responsible for generating a significant proportion of the Council's revenue (Council Tax and Business Rates) **Relevant CLT Risks** - reflected in the Service Delivery; Regulatory and Legislative Compliance; and Financial and Budget Management CLT risks which have high and critical original risk assessments. **Covid-19 impact –** increased dependency on Customer Services for shielding and vulnerable customers; and implementation of Covid-19 grant award processes. This involved immediate implementation of a range of new processes and systems, for example tailoring the Verint customer engagement system to support shielding and vulnerable customer arrangements. Additionally, the majority of customer services teams transitioned to work from home. These impacts are covered by the Technology and Information and Health and Safety of Citizens and Service Users strategic risks included in the Covid-19 RMP. **Control Effectiveness Assessment** – 'significant improvement required' rating reflects the outcomes of recent audits across Customer Services. **2021/22 coverage** - Use of the Verint CRM System to Support Recording and Remediation of Citizen Complaints and Queries
Customer and Digital Services Business Support	🟠	N/A	TBC	N	N	N	Y	**Original Risk Assessment** – the medium rating reflects the service delivery support provided across the Council (for example provision of executive assistants and business support in schools) based on service levels agreed with divisions. The control effectiveness rating has been increased from 2 to 3 reflecting the outcomes of IA reviews performed in 2019/20 and progress with implementation of agreed management actions.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								Relevant CLT Risks - reflected in the Service Delivery CLT risk which has a high original risk assessment. **Covid-19 impact –** the majority of business support teams transitioned to working from home, whilst providing ongoing support for services where possible. **Control Effectiveness Assessment –** has not been assessed as no assurance work has been performed in business support since 2017/18 (Care Homes). **2021/22 coverage –** as Business Support has been assessed as medium risk, no IA assurance is planned for 2021/22.
Legal and Risk Corporate Health and Safety	●	🟠	2	N	Y	Y	N	**Original Risk Assessment -** critical risk assessment reflects the policy and framework management and assurance responsibilities of the Corporate Health and Safety Team. **Relevant CLT Risks** - reflected in the Service Delivery; Regulatory and Legislative Compliance; and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** significant impact on the Corporate Health and Safety team who supported establishment of centralised Personal Protective Equipment (PPE) procurement and allocation process; established revised RIDDOR (Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations) reporting requirements; has developed and implemented of guidance and risk assessments; is supporting an internal advice helpline; and is involved in assessing the risks associated with service resumption and access requests. These impacts are included in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								Control Effectiveness Assessment – 'some improvement required' reflects recent assurance outcomes for the Corporate Health and Safety Team and their role in implementation of asbestos recommendations from an external assurance review. **2021/22 coverage** – Whilst no specific coverage is planned for 2021/22, assurance will be provided through follow-up and may be provided through Council wide thematic reviews.
Legal and Risk Corporate Risk Management	🔴	🔴	2	N	N	Y	N	**Original Risk Assessment –** high risk assessment reflects the importance of an established and effective risk management framework that can be easily applied across diverse Council services. **Relevant CLT Risks** - reflected in the Service Delivery and Governance and Decision making CLT risks which have high original risk assessments. **Covid-19 impact –** design and implementation of the Council's risk management response. **Control Effectiveness** – 'significant improvement required' rating reflects the outcomes of the recent Risk Management audit. **2021/22 coverage -** Audit assurance in 2021/22 will focus on follow up of any findings raised in the Risk Management audit.
Legal and Risk Legal Services	🔴	🟢	3	N	N	Y	Y	**Original Risk Assessment –** high risk assessment reflects the importance of provision of appropriate legal advice across the Council. **Relevant CLT Risks** - reflected in the Service Delivery; and Regulatory and Legislative Compliance CLT risks which have high original risk assessments. **Covid-19 impact –** no significant Covid-19 impacts

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								Control Effectiveness – 'effective' rating reflects the outcomes recent audits that included legal services provided to divisions and directorates.
								2021/22 coverage – there is no planned coverage of Legal Services in the 2021/22 annual plan, however some assurance may be provided through Council wide thematic reviews
Page 183 **Human Resources and Payroll**	●	●	3	Y	Y	Y	Y	**Original Risk Assessment** – critical risk assessment reflects the value and manual complexity of the Council's payrolls; and the importance of appropriate data protection for personal sensitive employee data. **Relevant CLT Risks** - reflected in the Financial and Budget Management; Service Delivery; and Regulatory and Legislative Compliance CLT risks which have high and critical original risk assessments. **Covid-19 impact** – payrolls now being run remotely, and increased focus on employee wellbeing following implementation of working from home arrangements. These impacts are reflected in the Health and availability of employees to deliver critical services strategic risk included in the Covid-19 RMP. **Control Effectiveness** – 'effective' rating reflects the outcomes recent assurance outcomes. **2021/22 coverage** - An Employee Lifecycle Data and Compensation and Benefits Processes audit has been included in the 2020/21 IA annual and will support external audit assurance provided by Azets in relation to payroll controls. Review of the design of the Council's response to the Scottish Local Government Living Wage requirements has also been included.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
Finance Finance and Treasury • Financial planning • Budget setting and monitoring • Support for strategic projects (financial modelling) • Debt management • Treasury management	●	●	2	Y	Y	Y	Y	**Original Risk Assessment –** critical risk assessment reflects the value of funds processed and managed by Finance; the complexities associated with their allocation across the Council; and the requirement to deliver a balanced budget. **Relevant CLT Risks** - reflected in the Financial and Budget Management; Service Delivery; and Regulatory and Legislative Compliance CLT risks which have high and critical original risk assessments. **Covid-19 impact –** significant impact on the Council's financial position given the increased costs associated with Covid-19, and lack of clarity as to whether these will be recovered; the impact of Arm's Length External Organisations on the Council's financial position (receipt of dividend income and future funding streams); and the challenges associated with delivering a balanced budget from financial year 23/24 onwards These impacts are reflected in the Financial and Economic strategic risk included in the Covid-19 RMP. **Control Effectiveness –** 'some improvement required' reflects recent assurance outcomes across Finance. **2021/22 coverage** - Review of Capital Budget Setting and Management Processes, and ongoing agile reviews of the Tram to Newhaven and Enterprise Resource Planning projects.
Finance Commercial and Procurement Services	●	●	2	N	Y	Y	Y	**Original Risk Assessment –** critical risk assessment reflects the ned to comply with applicable procurement legislation and guidance; the value and scale of procurement across the Council; and the need to provide first line contract management guidance and support.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Procurement framework and support • Contract planning • Contracts register • Cloud based computing register								**Relevant CLT Risks** - reflected in the Supplier, Contractor, and Partnership Management; Service Delivery; Financial and Budget Management; and Regulatory and Legislative Compliance CLT risks which have high and critical original risk assessments. **Covid-19 impact** – significant impact on the Commercial and Procurement team who established the centralised personal protective equipment (PPE) procurement and allocation process; implemented new supplier relief processes; and are also supported the Council with Brexit preparations. These impacts are reflected in the strategic supply chain risk included in the Covid-19 RMP. **Control Effectiveness –** 'some improvement required' reflects recent assurance outcomes across Commercial and Procurement Services. **2021/22 coverage** - there is no planned coverage of Commercial and Procurement in the 2021/22 annual plan, however assurance will be provided through ongoing follow-up and may be provided through Council wide thematic reviews.
Finance Investment and Pensions (Lothian Pension Fund)	●	●	2	Y	Y	Y	Y	**Original Risk Assessment** - critical risk assessment reflects the significant value of funds managed (circa £8bn) and the extent of reliance on key third party system providers to support LPF operations. **Relevant CLT Risks** - reflected in the Service Delivery; Financial and Budget Management; and Regulatory and Legislative Compliance CLT risks which have high and critical original risk assessments. **Covid-19 impact** – main impact has been the transition to home working arrangements.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								Control Effectiveness – 'some improvement required' reflects recent LPF assurance outcomes. **2021/22 coverage** - A separate annual audit plan is prepared for LPF and approved by the Pensions Committee.
Finance Insurance Services	🟢	N/A	TBC	N	N	N	N	**Original Risk Assessment** – low risk assessment reflects the low risk associated with ensuring that the Council has established appropriate insurance arrangements to support service delivery. **Relevant CLT Risks** - reflected in the Service Delivery and Resilience CLT risks which have high and critical original risk assessments. **Covid-19 impact** – no significant Covid-19 impacts. **Control Effectiveness** – has not been assessed as no assurance work has been performed in business support since 2017/18 (Care Homes). **2021/22 Coverage** - as Insurance Services has been assessed as low risk, no IA assurance is planned for 2021/22.
Properties and Facilities Management • Building Programme Management • Edinburgh Shared Repairs Service	⚫	🔴	1	Y	Y	Y	Y	**Original Risk Assessment** – critical risk assessment reflects the challenges associated with maintaining the Council's operational property portfolio in line with applicable legal and regulatory requirements; building security; and cleaning, janitorial, and catering provision for other Council services. **Relevant CLT Risks** - reflected in the Service Delivery; Regulatory and Legislative Compliance; Supplier, Contractor, and Partnership Management; Financial and Budget

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Facilities Management • Catering Services • Security								Management and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** significant impact on Properties and Facilities Management given involvement in closing buildings; implementing enhanced cleaning and infection control arrangements; supporting the shielding and vulnerable groups response, and support for children of key workers (preparation of food parcels and meals); and confirming readiness for properties to support return of services (implementation of social distancing measures). These impacts are reflected in the Council premises and security strategic risk included in the Covid-19 RMP. **Control Effectiveness –** 'significant improvement required' reflects recent assurance outcomes and progress with implementation of open assurance findings. **2021/22 coverage** - Pre-implementation review of the design of the operational properties repairs and maintenance framework.
Chief Executive – Strategy and Communications								
Democracy; Governance; and Resilience • Information Governance, and Data Protection; • Records Management;	🔴	🟠	3	Y	N	Y	Y	**Original Risk Assessment –** high risk assessment reflects the legal, regulatory, and statutory requirements associated with these areas. **Relevant CLT Risk -** reflected in the Technology and Information and Service Delivery and CLT risks which have high original risk assessments. **Covid-19 impact –** support provided in relation to the data privacy aspects of new and amended Covid-19 processes implemented across the Council. These impacts are reflected in the strategic technology and information risk included in the Covid-19 RMP.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Freedom of Information; Subject Access and other statutory requests								**Control Effectiveness –** 'some improvement required' reflects recent assurance outcomes and progress with implementation of agreed management actions to address findings raised. **2021/22 coverage –** Statutory Request and Complaints Processes
Democracy; Governance; and Resilience • Corporate Resilience • Fraud and Serious Organised Crime	●	●	1	Y	Y	N	N	**Original Risk Assessment –** critical risk assessment reflects the importance of ensuring that an appropriate operational and technology resilience, and serious and organised crime frameworks have been established across the Council. **Relevant CLT Risk -** reflected in the Service Delivery; Resilience; and Governance and Decision making CLT risks which have high and critical original risk assessments. **Covid-19 impact –** significant impact as the Council had to invoke its emergency operational resilience arrangements. These impacts are reflected in the strategic Council response and governance risk included in the Covid-19 RMP. **Control Effectiveness –** 'significant improvement required' reflects the outcomes of the latest operational resilience audit (2017/18) and progress with implementation of recommendations. **2021/22 coverage** – Covid-19 Thematic Lessons Learned
Democracy; Governance; and Resilience • Elections and Members Services	●	N/A	4	Y	Y	N	N	**Original Risk Assessment –** high risk assessment reflects the importance of ensuring the smooth operation of the elections process; provision of support to elected members; and effective operation of the Council' executive and scrutiny committees. **Relevant CLT Risk -** reflected in the Service Delivery and Governance and Decision Making risks CLT risks which have high original risk assessments.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Committee Services								**Covid-19 impact –** the main challenge for Committee Services was supporting the transition to emergency decisioning and governance arrangements; supporting the phased reinstatement of Committees; and transitioning to supporting committee meetings by video conference. It is also highly likely that the May 21 elections will be completed during the pandemic. These impacts are reflected in the Council Response and Governance strategic risk included in the Covid-19 RMP. **Control Effectiveness –** not assessed as the outcomes of the 2020/21 review (GRBV Committee Effectiveness) have not been concluded. **2021/22 coverage** - Elections
Democracy; Governance; and Resilience • Corporate Governance • Whistleblowing	🔴	🔴	2	Y	N	Y	N	**Original Risk Assessment –** high risk assessment reflects the importance of ensuring that the Council has established an effective corporate governance framework to support ongoing compliance with applicable legislation; regulations; and Council policies, and ensure that employee concerns can be safely and anonymously communicated ad regulated. whistleblowing process. **Relevant CLT Risk -** reflected in the Service Delivery and Governance and Decision Making risks CLT risks which have high original risk assessments. **Covid-19 impact –** the main challenge for Corporate Governance was supporting operational decisioning and governance arrangements, and ensuring that appropriate arrangements were established to record all significant resilience decisions and actions. These impacts are reflected in the Council Response and Governance strategic risk included in the Covid-19 RMP.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								Control Effectiveness – 'significant improvement required' reflects recent assurance outcomes in these areas and progress with implementation of recommendations. **2021/22 coverage –** Implementation of Historic Whistleblowing Recommendations
Strategic Change and Delivery • Strategic Planning • Integrated Change / major projects	●	●	2	Y	Y	Y	Y	**Original Risk Assessment –** critical risk assessment reflects the importance of developing and maintaining an appropriate strategy / business plan for the Council and supporting its delivery through effective implementation of major projects. **Relevant CLT Risk -** reflected in the Strategic Delivery; Service Delivery; and Programme and Project Delivery CLT risks which have critical and high original risk assessments. **Covid-19 impact –** significant impact with the implementation of the Council's Adaptation and Renewal Programme to support the Council's recovery from the Covid-19 pandemic and the future adaptation and renewal of both Council services and the city. **Control Effectiveness –** 'some improvement required' reflects recent assurance outcomes and the need to develop a framework to support effective governance and delivery of first line projects. These risks are reflected in the strategic delivery risk included in the CLT risk register. **2021/22 coverage –** Adaptation and Renewal Programme Governance and Delivery
Strategic Change and Delivery • Data, Performance, and Business Planning	●	●	TBC	Y	Y	N	N	**Original Risk Assessment –** high risk assessment reflects the importance of an established and effective Council wide performance framework to confirm whether key performance objectives are being achieved and effective delivery of the Council's strategy / business plan. **Relevant CLT Risk -** reflected in the Governance and Decision and Service Delivery risks which have high original risk assessments.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								Covid-19 impact – significant impact as this team was involved in providing a Covid-19 management information dashboard to the Council's Incident Management Team to support ongoing decision making, and preparing coordinated returns that were provided to the Scottish Government and COSLA. These impacts are reflected in the Council Response and Governance strategic risk included in the Covid-19 RMP. **Control Effectiveness –** 'effective' rating reflects recent assurance outcomes. **2021/22 coverage** – Planning and Performance Framework – pre-implementation design review
Policy and Insight • City Strategies • Communities • Insight • Policy Unit (including carbon management)	🔴	N/A	TBC	Y	N	Y	N	**Original Risk Assessment –** high risk assessment reflects the importance of developing appropriate policies that support citizen needs and expectations; are aligned with the Council's strategy and business plan; and supports effective community engagement. **Relevant CLT Risk** – reflected in the Governance and Decision making CLT risk, which has a high original risk assessment. **Covid-19 impact –** significant impact on citizen engagement with the majority of locality offices closed and the transition to implementation of Council Resilience Centres for Place Localities, and Command Centres for the Health and Social Care Partnership. The Insight team was also involved in the design and implementation of employee wellbeing surveys. **Control Effectiveness -** has not been assessed as only limited assurance work has been performed in policy and insight since 2018/19. **2021/22 coverage –** Council Emissions Plan

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
Communications	🟠	🔴	3	N	N	Y	N	**Original Risk Assessment –** medium risk assessment reflects the importance of secure and effective communication with both citizens and employees and the need for appropriate data protection controls. **Relevant CLT Risk -** reflected in the Reputational CLT risk, which has a medium original risk assessment. **Covid-19 impact –** significant impact as the Communications team was involved in ensuring effective communication with citizens and employees in relation to decisions taken as the Council implemented its resilience response, and is now re-establishing services. These impacts are reflected in the Council Response and Governance strategic risk included in the Covid-19 RMP. **Control Effectiveness –** 'significant improvement required' rating reflects recent assurance outcomes **2021/22 coverage –** no further coverage planned. Assurance will be provided through ongoing validation of management actions implemented to address recent assurance findings raised.
Communities and Families								
Children's Services Children's Social Work Practice Teams and Review Service	⚫	N/A	TBC	Y	N	N	N	**Original Risk Assessment –** critical risk assessment reflects the importance of children's social work in relation to child protection and protection of vulnerable groups. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Children's social work practice teams • Children and young people's review team for looked after children • Social Care Direct (allocation of requests to practice teams • Social Care Direct – Children's Services Complaints								**Covid-19 impact** – the main impact of Covid-19 was the transition to remote delivery of services and reduced contact with families. **Control Effectiveness -** has not been assessed as only limited assurance work has been performed in children's social work since 2017/18. **2021/22 coverage –** Implementation of Child Protection Recommendations
Children's Services Children with Disability • Children's practice team • Post-natal substance abuse support • Residential and day services	🔴	N/A	TBC	N	N	N	N	**Original Risk Assessment –** high risk assessment reflects the importance of supporting disabled children and their families combined with appropriate child protection measures and protection of vulnerable groups. Risk assessment has not changed in comparison to 2019/20. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact** – the main impact of Covid-19 was the transition to remote delivery of services and reduced contact with families.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Disability behaviour service • Self-directed support								**Control Effectiveness -** has not been assessed as only limited assurance work has been performed in children with disability in recent years. **2021/22 coverage -** there is no planned coverage of Policy and Insight in the 2021/22 annual plan, however assurance may be provided through Council wide thematic reviews.
Children's Services Special Schools and Additional Support for Learning • 1H special schools • Additional support for learning • Educational psychology • Parent and pupil support	🔴	N/A	TBC	Y	N	N	N	**Original Risk Assessment –** high assessment reflects the importance of meeting the education combined with appropriate child and employee protection measures, and protection of vulnerable groups. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact** – the main impact of Covid-19 was the transition to remote delivery of education. **Control Effectiveness -** will be assessed following completion of the audits included in the 2020/21 IA annual plan (Covid-19 Lessons Learned; Managing Violent and Aggressive Behaviour). **2021/22 coverage -** there is no planned coverage of Special Schools and Additional Support for Learning in the 2021/22 annual plan, however assurance may be provided through Council wide thematic reviews
Children's Services Looked After Children • Secure Services • Residential Care	⚫	N/A	TBC	N	N	N	Y	**Original Risk Assessment** critical risk assessment reflects the importance of looked after children in relation to child protection and protection of vulnerable groups. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Fostering / Adoption / Kinship • Family Group Decision Making • Mutisystemic Therapy • Occupational Therapy • Throughcare and Aftercare • Corporate Parenting • Children's Rights								**Covid-19 impact –** the main impact of Covid-19 was the potential impact of infection and workforce availability. Contingent workforce arrangements were established to ensure ongoing workforce capacity in the event of increased levels of absence. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP. **Control Effectiveness -** has not been assessed as only limited assurance work has been performed in special schools and additional support for learning in recent years, and 2020/21 assurance outcomes have not yet been finalised. **2021/22 coverage -** there is no planned coverage of Looked After Children in the 2021/22 annual plan, however assurance may be provided through Council wide thematic reviews
Children's Services Young People's Service (12- 17) • Offensive / harmful behaviour • Substance misuse • Foster care issues • Homelessness	🔴	N/A	TBC	N	N	N	N	**Original Risk Assessment -** high risk assessment reflects the importance of young People's Service in relation to child protection and protection of vulnerable groups. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** the main impact of Covid-19 was the transition to remote delivery of services and reduced contact with families. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP. **Control Effectiveness -** has not been assessed as only limited assurance work has been performed in Young People's service in recent years.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								2021/22 coverage - there is no planned coverage of Young People's Service in the 2021/22 annual plan, however assurance may be provided through Council wide thematic reviews
Estates and Operational Support Capital Projects and School Estate Planning	🟠	🟢	5	N	N	Y	Y	**Original Risk Assessment (March 2020) -** medium risk assessment reflects the importance of effective management of capital projects and the need to have a clear strategy for school estates that reflects future demand. **Relevant CLT Risk -** reflected in the Strategic Delivery and Programme and Project Delivery CLT risks, which have critical and high original risk assessments. **Covid-19 impact –** the main impact of Covid-19 was the cessation of all capital projects and their subsequent reinstatement with enhanced social distancing measures. These impacts are reflected in the Supply chain risk; Financial and economic risk; and Legal and Commercial Risk strategic risks included in the Covid-19 RMP. **Control Effectiveness –** effective rating reflects recent assurance outcomes. **2021/22 coverage -** whilst no specific audits are planned in this area for 2021/22, ongoing assurance will be provided through ongoing follow-up of relevant findings raised in the 2019/20 Governance of First Line Projects outwith the Major Projects Portfolio audit.
Estates and Operational Support Statutory Consultation and Catchment Reviews	🟠	N/A	TBC	N	N	N	N	**Original Risk Assessment –** medium risk assessment reflects the importance of ensuring that school catchment areas continue to meet demand and the changing demographic of the city. **Relevant CLT Risk -** reflected in the Strategic Delivery and Regulatory and Legislative Compliance CLT risks which have critical and high original risk assessments.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								Covid-19 impact - the main impact of Covid-19 was the transition to remote work to support completion of these processes. **Control Effectiveness** - has not been assessed as only limited assurance work has been performed in Statutory Consultation and Catchment Reviews in recent years. **2021/22 coverage -** no assurance coverage is planned in 2021/22.
Estates and Operational Support Client Management and Home to School Transport	🔴	🟢	4	N	N	Y	N	**Original Risk Assessment -** medium risk assessment reflects the importance of ensuring safe home to school transport for children, considering the importance of child protection and protection of vulnerable groups requirements. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** the main impact of Covid-19 was the cessation of these services and their subsequent reinstatement with enhanced infection protection and social distancing measures. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP. **Control Effectiveness** - effective rating reflects recent assurance outcomes. **2021/22 coverage -** no assurance coverage is planned in 2021/22.
Schools and Lifelong Learning Early Years and Childcare	🔴	N/A	TBC	Y	N	N	N	**Original Risk Assessment -** high risk assessment reflects the importance of early years childcare in relation to child protection and protection of vulnerable groups.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Childcare provision • Supporting parents and carers • Quality improvement								**Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** the main impact of Covid-19 was the cessation of these services and their subsequent reinstatement with enhanced infection protection and social distancing measures. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and Availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP. **Control Effectiveness** - has not been assessed as only limited assurance work has been performed in early years and childcare in recent years. **2021/22 coverage –** Availability of Early Years Education and Alignment with the Poverty Strategy
Schools and Lifelong Learning Lifelong Learning • teacher professional learning • creative learning in schools • sport and physical activity • community learning and	🟠	N/A	TBC	N	N	N	N	**Original Risk Assessment -** medium risk assessment reflects the importance of including creativity and physical activity in learning; ensuring that teachers continue to meet their ongoing professional development requirements; provision of library services; and supporting community development and learning. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** the majority of these services have transitioned to remote delivery during both lockdowns, with libraries mostly closed. **Control Effectiveness** - has not been assessed as only limited assurance work has been performed in lifelong learning in recent years.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
development and libraries								**2021/22 coverage -** there is no planned coverage of Lifelong Learning in the 2021/22 annual plan, however assurance may be provided through Council wide thematic reviews
Schools and Lifelong Learning Schools quality, Improvement, and Curriculum • Leadership • Self-evaluation • Learning and teaching approaches • Meeting Learners Needs • Curriculum planning and delivery • HME Inspections	🔴	🟢	4	Y	N	N	N	**Original Risk Assessment -** high risk reflects the need to ensure delivery of an appropriate quality of education that is aligned with expected Education Scotland standards. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** the main impact of Covid-19 was the requirement to design and implement remote learning arrangement for pupils during lockdown. **Control Effectiveness** – 'effective' assessment is based on Education Scotland inspection outcomes, where no significant concerns have been identified as IA has only performed limited assurance work in this area in recent years. **2021/22 coverage** - there is no planned coverage of Schools Improvement and Curriculum in the 2021/22 annual plan, however assurance may be provided through Council wide thematic reviews and reliance will be placed on Education Scotland inspection outcomes.
Schools and Lifelong Learning • Schools • School Admissions	🔴	🔴	2	N	Y	Y	Y	**Original Risk Assessment -** high risk assessment has not changed in comparison to 2019/20. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Schools complaints								**Covid-19 impact –** the main impact of Covid-19 was the cancellation of exams and allocation of grades in line with Scottish Qualifications Authority guidance; closure of schools during both lockdowns; and their subsequent reopening with enhanced infection control procedures. **Control Effectiveness** – 'significant improvement required' reflects recent assurance outcomes **2021/22 coverage -** ongoing assurance in 2021/22 will be provided through ongoing follow up of relevant findings raised in the 2019/20 Schools Admissions and Inclusion audit.
Schools and Lifelong Learning Pupil and Parent Support • Child protection in schools and lifelong learning • Parental engagement and support • Educational welfare service • School placements	🔴	N/A	TBC	N	N	N	N	**Original Risk Assessment -** high risk assessment reflects the importance pupil and parent support in relation to child protection and protection of vulnerable groups. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** the main impact of Covid-19 was the transition to remote delivery of these services. **Control Effectiveness** – 'has not been assessed as only limited assurance work has been performed in pupil and parent support in recent years. **2021/22 coverage –** there is no planned coverage of Pupil and Parent Support in the 2021/22 annual plan, however assurance may be provided through Council wide thematic reviews

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
Schools and Lifelong Learning Children's Services Lifelong Links • Family research and tracing • Support relationship reestablishment • Support production of family plans	🟠	N/A	TBC	N	N	N	N	**Original Risk Assessment -** medium risk assessment reflects the importance of sourcing complete and accurate information to support family tracing. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** the main impact of Covid-19 was the transition to remote delivery of these services. **Control Effectiveness** – has not been assessed as only limited assurance work has been performed in lifelong links in recent years. **2021/22 coverage –** there is no planned coverage of Lifelong Links in the 2021/22 annual plan, however assurance may be provided through Council wide thematic reviews
Safer and Stronger Communities / Chief Social Work Officer Homelessness and Housing Support	⚫	🟠	2	N	N	Y	Y	**Original Risk Assessment -** critical risk assessment reflects the need to deliver an effective homelessness and housing support service to support vulnerable individuals and families. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** significant impact as urgent additional arrangements were required to provide appropriate accommodation for homeless citizens that supported self-isolation (where required) and reduced the risk of infection spreading; reduced availability of 'move on' tenancies; implementation of the Scottish Government's unsuitable accommodation order; and addressing challenges such as homeless people with no recourse to public funds.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP. **2021/22 coverage –** no assurance coverage is planned for 2021/22, however the areas noted above will be considered for inclusion in the 2022/23 annual plan.
Safer and Stronger Communities / Chief Social Work Officer Community Justice and intervention Reintegration and supervision of offenders into communities over the age of 18.	●	N/A	TBC	Y	N	N	N	**Original Risk Assessment -** critical risk assessment reflects the importance of ensuring that offenders are safely integrated into communities with appropriate support, and that all prison discharge conditions are effectively complied with. Protection of children and vulnerable adults is also a significant risk for this service. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** the main impact was the planned early release of prisoners to minimise spread of infection in prisons, where community justice support was required, together with the transition to home working, however this risk did not crystallise as release volumes did not significantly increase. **Control Effectiveness** – has not been assessed as only limited assurance work has been performed in community justice and intervention in recent years. **2021/22 coverage –** Criminal Justice
Safer and Stronger Communities / Chief Social Work Officer	●	●	3	N	Y	N	Y	**Original Risk Assessment –** high risk assessment reflects the importance of production of the annual Chief Social Work Officer's report that is based on appropriate coverage of children and adult social care services across the Council, and is aligned with applicable legal, regulatory, and statutory requirements.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Chief Social Work Officer's report • Quality, Governance, and Regulation - Internal quality assurance provided across children and adult social care								Assurance provided by the Quality, Governance, and Regulation (QGR) team is also important as it ensures that issues can be identified and address before they become significant or thematic. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** transition to home working and adapting processes and procedures to accommodate any service delivery changes implemented in response to Covid-19. **Control Effectiveness** – 'some improvement required' reflects recent QGR outcomes. This assessment will also be updated to reflect 2020/21 assurance outcomes in relation to the CSWO report, which have not yet been finalised. **2021/22 coverage** - there is no planned coverage the CSWO and QGR in the 2021/22 annual plan, however assurance may be provided through follow-up of any findings raised in the 2020/21 CSWO audit and may also be provided through Council wide thematic reviews
Health and Social Care								
Accommodation Care Home Placement	●	●	2	N	Y	N	N	**Original Risk Assessment –** critical risk assessment reflects the significant risks associated with caring for care home residents, including protecting vulnerable adults. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact** was significant given focus on creating capacity in care homes to support the NHS. This resulted in implementation of the Home First / SafeHaven model to support

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								ongoing assessment of demand and capacity. Personal protective equipment; infection control; and testing arrangements were also implemented to protect both residents and employees, and visiting arrangements stopped. Workforce planning arrangements were also implemented to ensure that there was sufficient workforce available from either Council employees or agency support to ensure ongoing delivery of care. Arrangements were also implemented to support the Councils oversight of private care homes in line with Scottish Government requirements. These impacts are reflected in the Health and Safety of Citizens and Service Users; the Health and Availability of Employees to Deliver Critical Services; Supply Chain; and Financial and Economic strategic risks included in the Covid-19 RMP. **Control Effectiveness –** 'significant improvement required' assessment reflects progress with implementation of actions to address assurance outcomes raised in the 2017/18 Care Homes Audit and The Care Inspectorate / Healthcare Improvement Scotland joint inspection report (May 17) and subsequent December 2018 progress review. **2021/22 coverage –** assurance in 2021/22 will be provided through and ongoing follow-up of the remaining findings raised in the May 17 Care Homes audit and Covid-19 lessons learned assurance work completed in 2020/21.
Assessment, Support, Planning, and Review • Direct Payments • Individual Service Fund	●	●	1	N	Y	N	Y	**Original Risk Assessment –** critical risk assessment reflects the significant risks associated assessing care requirements and ensuring that optimal care arrangements are provided for citizens. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								Covid-19 impact was significant as focus was on hospital discharge timeframes and establishing urgent care arrangements, with a further impact on existing waiting lists and assessments. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP. **Control Effectiveness –** 'significant improvement required' assessment reflects progress with implementation of actions to address assurance outcomes raised in the 2017/18 audit in this area, and The Care Inspectorate / Healthcare Improvement Scotland joint inspection report (May 17) and subsequent December 2018 progress review. The 2020/21 audit of Management of Waiting Lists and Assessments is currently in progress, and the control effectiveness assessment will be updated to reflect the outcomes of this review. **2021/22 coverage** – no further assurance is planned for 2021/22. Assurance will be provided through the ongoing validation of management actions implemented to address the assurance findings noted above.
Community Based Support • Day Care Support and Advice • Homecare and Support • Telecare	●	🟠	2	Y	N	N	Y	**Original Risk Assessment -** critical risk assessment reflects the importance of provision of quality day care; homecare; and telecare emergency response service that meets citizens needs and the requirement to protect vulnerable adults and groups. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact** was essentially cessation of all non-urgent services, and transition to working from home arrangements (for example Telecare) where possible.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								Control Effectiveness - significant improvement required' assessment reflects progress with implementation of actions to address assurance outcomes raised in the 2018/19 Telecare audit, and The Care Inspectorate / Healthcare Improvement Scotland joint inspection report (May 17) and subsequent December 2018 progress review. **2021/22 coverage -** Day Care to Adult Social Care Transition Arrangements
Sensory Support Support for deaf, blind and partially sighted	(orange)	N/A	TBC	N	N	N	N	**Original Risk Assessment –** medium risk assessment reflects the need for provision f deaf, blind, and partially sighted support services, and the requirement to protect vulnerable adults and groups. **Relevant CLT Risk-** reflected in the Service Delivery and Regulatory and Legislative Compliance CLT risks, which both have a high original risk assessment. **Covid-19 impact –** the main impact transition to working from home and provision of remote services where possible. **Control Effectiveness –** has not been assessed as only limited assurance work has been performed in community justice and intervention in recent years. **2021/22 coverage -** no specific audit coverage is planned for 2021/22, although assurance may be provided through thematic Council wide reviews.
Place								
Place Management Waste and Cleansing • Refuse and recycling	(red)	(green)	3	N	N	N	Y	**Original Risk Assessment –** high risk assessment rating reflects the public health and safety and legal, regulatory, and statutory requirements associated with delivery of these services.

Page 206

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Community recycling centres • Special uplifts • Bin maintenance, repair and delivery • Fly tipping • Business waste enforcement • Litter Bins • Street cleaning								**Relevant CLT Risk-** reflected in the Service Delivery; Regulatory and Legislative Compliance; and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** the main impact was cancellation and subsequent reintroduction of services with enhanced infection control and social distancing measures applied. These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP. **Control Effectiveness** – 'effective' assessment reflects the outcomes of two audits completed in 2017/18 and progress with implementation of recommendations. **2021/22 coverage -** no specific audit coverage is planned for 2021/22, although assurance may be provided through planned thematic Council wide reviews.
Place Management Network Management and Enforcement • Parking operations and traffic regulation • City-wide road coordination • Intelligent traffic systems	🔴	🟠	3	N	Y	N	Y	**Original Risk Assessment –** high risk assessment reflects the need to enforce traffic regulations to support public safety in line with applicable legislative, regulatory and statutory requirements, together with the need to support income generation from fees and charges. **Relevant CLT Risk-** reflected in the Service Delivery; Regulatory and Legislative Compliance; Programme Management and Delivery; and Health and Safety (including public safety) CLT risks which have high and critical (Health and Safety) original risk assessments. **Covid-19 impact –** parking charges were suspended during the initial March lockdown and then reinstated in late June 2020. Spaces for People initiative was also implemented to

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Street and environmental enforcement • Electrical vehicle charging • Spaces for people								ensure that the city's roads were adapted to enable citizens to navigate the city safely whilst observing social distancing measures. **Control Effectiveness** – 'effective' assessment reflects the outcomes of two audits completed in 2017/18 and progress with implementation of recommendations. Assurance work for 2020/21 is ongoing and the control effectiveness assessment will be updated to reflect these outcomes. **2021/22 coverage** - no specific audit coverage is planned for 2021/22, although assurance may be provided through planned thematic Council wide reviews.
Place Management Roads and Transport Infrastructure • Street lighting and traffic signs • Assets and performance (transport asset management plan) • Transport contracts and design • Road operations • Structures and flood prevention	●	🟠	2	N	N	Y	Y	**Original Risk Assessment** – critical risk assessment reflects the health and safety risks associated with effective ongoing maintenance of the city's roads and transport infrastructure, and the security risks associated with the operation of Hawes Pier to support passengers disembarking from cruise ships to visit Edinburgh. **Relevant CLT Risks-** reflected in the Service Delivery; Regulatory and Legislative Compliance; Supplier , Contractor and Partnership Management; and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** road maintenance activities were reduced with focus on only essential urgent repairs. **Control Effectiveness** – 'effective' assessment reflects recent assurance outcomes and progress with implementation of management actions to address findings raised. **2021/22 coverage** - Annual Port Facility Security audit is currently included in the plan, although the Department for transport has been contacted to determine whether this can be deferred for one further year. No other audit coverage is planned for 2021/22, although

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								assurance will be provided through validation of management actions to support closure of open findings and may also be provided through planned thematic Council wide reviews.
Place Management Strategic Transport • Road safety and Active Travel • Public Transport • Spatial Policy • Transport Projects	🔴	N/A	TBC	Y	Y	Y	N	**Original Risk Assessment –** high risk assessment reflects the health and safety risks associated with effective ongoing road safety and oversight and engagement with the Transport for Edinburgh (TfE) arm's length external organisation. . **Relevant CLT Risks-** reflected in the Service Delivery; Regulatory and Legislative Compliance; Supplier, Contractor, and Partnership Management; and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** significant decrease in demand for public transport, and cessation of capital works during initial lockdown. Transport projects have now recommenced subject to appropriate social distancing measures. **Control Effectiveness** – whilst the ongoing review of the Tram to Newhaven project has not raised any significant findings, two reviews included in the 2020/21 annual plan are in progress and have not yet been finalised. The control effectiveness assessment will be refreshed once these have been completed. **2021/22 coverage –** 2021/22 assurance coverage will include the ongoing agile review of the Trams to Newhaven project, and validation of management actions implemented to address any findings raised in the 2020/21 Active Travel.
Place Management Fleet and Workshops • Purchasing vehicles	⚫	🟢	3	N	N	Y	Y	**Original Risk Assessment -** ccritical risk assessment reflects health and safety risks associated with ensuring that vehicles are legally fit to drive, and that drivers are both legally and medically fit to drive.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Vehicle hires • Driver licence checks and permits • Fuel • Road tax, spot checks and tachograph • Planned maintenance and MOTs • Compliance testing for all licences taxi and private hires								**Relevant CLT Risks-** reflected in the Service Delivery; Regulatory and Legislative Compliance; Supplier, Contractor, and Partnership Management; and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** reduced demand for Council fleet following cessation of a number of Council services during lockdown. **Control Effectiveness** – 'effective' assessment reflects progress with implementation of actions to address significant findings raised in audits completed in 2017/18 and subsequent years. **2021/22 coverage -** No audit coverage is planned for 2021/22, although assurance will be provided through validation of management actions to support closure of open findings, and may also be provided through planned thematic Council wide reviews
Place Management Parks, Greenspace, and Cemeteries • Parks programmes • Events • Play park design • Allotments and community food • Physical structures (e.g. trees and gravestones)	●	🟠	2	Y	N	Y	N	**Original Risk Assessment -** critical risk assessment reflects the health and safety risks associated with ongoing maintenance of physical and natural structures (for example trees; gravestones); and use of high risk mechanical equipment to support these activities, and the need to be compliant with applicable legislation, regulation and statutory requirements, **Relevant CLT Risks -** reflected in the Service Delivery; Regulatory and Legislative Compliance; Supplier, Contractor, and Partnership Management; and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** parks and public spaces were initially closed during lockdown and subsequently reopened with implementation of social distancing measures in line with Scottish Government requirements; increased volumes of burial services were subject to social distancing rules.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Maintenance (parks; sport pitches; school fields; verges etc) • Forestry and natural heritage (trees; nature reserves; river corridors; Pentland Hills Regional Park) • Botanic gardens • Nurseries • Cemeteries								These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and Availability of Employees to Deliver Critical Services strategic risks included in the Covid-19 RMP. **Control Effectiveness** – 'some improvement required' assessment reflects recent assurance outcomes and progress with implementation of actions to address findings raised **2021/22 coverage –** Ongoing maintenance of physical and natural structures.
Place Management Scientific, Bereavement and Registration Services • Food testing • Air testing • Water testing • Trading standards testing • Pest Control	●	🟠	2	Y	Y	Y	N	**Original Risk Assessment (March 2020)** - critical risk assessment reflects the health and safety risks, and specifically public safety risks associated with ongoing delivery of these services, and the need to be compliant with applicable legislation, regulation and statutory requirements, **Relevant CLT Risks -** reflected in the Service Delivery; Regulatory and Legislative Compliance; Supplier, Contractor, and Partnership Management; and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** significant impact in terms of adequacy of mortuary capacity to support expected increase in death rate; implementation of changes to funeral services; increased focus on timeliness of death registrations to support Scottish Government statistics; cessation of marriage and birth registrations and their subsequent reinstatement; personal

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Burials, Cremations, and Memorials • Mortuaries • Registration of births, deaths and marriages • Nationality checking • Civil ceremonies								protective equipment and hand sanitisation testing support arrangements; establishing advice service to support application of safe working practices. These impacts are reflected in the Health and Safety of Citizens and Service Users; the Health and Availability of Employees to Deliver Critical Services; and Council Response and Governance strategic risks included in the Covid-19 RMP. **Control Effectiveness** – 'some improvement required' assessment reflects recent assurance outcomes and progress with implementation of actions to address findings raised. Completion of the 2021/22 audits of Registration and Bereavement Services and Implementation of Asbestos Recommendations are in progress, and this assessment will be updated to reflect the outcomes of these reviews. **2021/22 coverage** - Food and Water Testing
Place Development Planning and Building Standards • Major developments planning (including developer contributions) • Householder developments and enforcement	🔴	🟢	4	Y	N	Y	Y	**Original Risk Assessment –** high risk assessment reflects the importance of ensuring that all developments across the city are approved in line with applicable planning and building standards legislative and regulatory requirements and planning policies. This assessment also reflects the potential health and safety implications associated with poor quality building standards assessments. **Relevant CLT Risks -** reflected in the Service Delivery; Regulatory and Legislative Compliance; Supplier, Contractor, and Partnership Management; and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** the service transitioned to working from home and also had to incorporate Scottish Government extended timeframes for completion of planning requirements and building warrants into their processes.

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Local developments and listed buildings • Building warrant applications								These impacts are reflected in the Health and Safety of Citizens and Service Users and the Health and availability of employees to deliver critical services strategic risks included in the Covid-19 RMP. **Control effectiveness** – 'effective rating reflects progress with implementation of agreed managements to address significant building standards assurance outcomes. **2021/22 coverage** - Planning
Place Development Citywide Transport and Planning • Planning initiatives (build and natural heritage) • Local Development Plan • Spatial policy – (transport, planning and air quality development) • Service development and appeals – review of planning applications and appeals;	🔴	N/A	TBC	Y	N	N	N	**Original Risk Assessment –** high risk assessment reflects the strategic importance developing the local development plan to support future development across the city, and the importance of effective independent review of planning appeals. **Relevant CLT Risks -** reflected in the Service Delivery; Regulatory and Legislative Compliance CLT risks which have high original risk assessments. **Covid-19 impact –** the service transitioned to working from home. **Control Effectiveness** – has not been assessed as only limited assurance work has been performed in citywide transport and planning in recent years. The process supporting preparation of the Local Development Plan (LDP) was last reviewed in 2017/18, and the planning appeals process has not been subject to recent review. **2021/22 coverage** - Planning

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
complaints; communications; performance reporting								
Place Development Housing Management and Development • Housing performance and service improvements • HRA income collection • Edindex and choice based lettings • Housing construction programme / regeneration projects • Funding and delivering affordable homes	🔴	🟢	4	Y	N	Y	Y	**Original Risk Assessment –** risk assessed as high reflecting the importance of defining and delivering an affordable housing strategy that is linked to the housing construction and regeneration programme and allocation of Council houses to citizens. **Relevant CLT Risks** - reflected in the Strategic Delivery; Service Delivery; Regulatory and Legislative Compliance; Supplier, Contractor, and Partnership Management; Financial and Budget Management; Programme and Project Delivery and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** impact on delivery of affordable housing targets due to cessation of all capital projects and construction activities, and subsequent reinstatement with appropriate social distancing measures. Potential impact on ability to collect HRA income where tenants have experienced difficulty during Covid-19. These impacts are reflected in the Supply Chain; Financial and Economic; and Legal and Commercial Risk risks included in the Covid-19 RMP. **Control Effectiveness** – 'effective' assessment reflects the positive outcomes of the audit of the Development of the Strategic Housing Investment Plan completed in 2019/20, and the annual audit of the Transfer of the Management of Development Funding performed by the Scottish Government. **2021/22 coverage –** the annual Scottish Government audit of the Management of Development Funding is currently included in the plan; however the Scottish Government has been contacted to determine whether this can be deferred for a further year, enabling

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
								IA to direct effort towards higher risk areas. An audit of the Council Housing Allocation Process is also included in the plan.
Place Development Regulatory Services • Licencing • Licencing enforcement • Trading standards • Environmental Health • Food Health and Safety	●	🟠	2	Y	Y	N	Y	**Original Risk Assessment –** critical risk assessment reflects the health and safety; legislative, regulatory and statutory; and financial risks associated with delivery of these services. **Relevant CLT Risks** - reflected in the Service Delivery; Regulatory and Legislative Compliance; Supplier, Contractor, and Partnership Management; Financial and Budget Management and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact** – significant impact with the extension of a number of licences (for example taxi licences) and associated loss if income. The service also had to transition to working from home where possible. The service was also responsible for implementation and administration of processes supporting allocation of Scottish Government funding to taxi drivers. These impacts are reflected in Financial and Economic and Legal and Commercial Risk risks included in the Covid-19 RMP. **Control Effectiveness** – 'some improvement required' assessment reflects the outcomes of two assurance reviews (Fees and Charges and HMO Licencing) completed in 2018/19, and progress with implementation of agreed management actions to address findings raised. **2021/22 coverage –** Food and Water Testing

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
Place Development Sustainability • Sustainable Energy Action Plan • Energy Efficiency • District Heating • Renewables • Electric vehicle infrastructure • Energy for Edinburgh / Community Energy • Low Carbon Jobs and Investment / Circular Economy • Corporate Sustainability Initiatives	🟠	🟢	5	N	N	N	Y	**Original Risk Assessment –** medium risk assessment reflects the risks associated with supporting the city to improve its carbon footprint through delivery of these services. **Relevant CLT Risks** - reflected in the Strategic Delivery and Programme and Project Delivery CLT risks which have critical and high original risk assessments. **Covid-19 impact –** significant improvement in carbon reduction evident from both lockdowns, but no significant risk to the Council. Services have also transitioned to working from home. **Control Effectiveness** – 'effective' assessment reflects the outcomes the Carbon Reduction Commitment Scheme Audit completed in 2018/19. No further assurance work has been performed since then. **2021/22 coverage –** no specific audits are planned in this areas, enabling IA to direct effort towards higher risk areas.
Place Development Housing Property • Responsive repairs • Planned maintenance	⚫	🟠	2	Y	Y	Y	N	**Original Risk Assessment –** critical risk assessment reflects the health and safety risks associated with maintaining the condition of council properties leased to private citizens. Risk assessment has not changed in comparison to 2019/20. **Relevant CLT Risks** - reflected in the Service Delivery; Regulatory and Legislative Compliance; Supplier, Contractor, and Partnership Management; Financial and Budget

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
• Mechanical and electrical • Capital programme • Repairs and materials contracts • Council house sales • Factoring • Right to repair								Management and Health and Safety (including public safety) CLT risks which have high and critical original risk assessments. **Covid-19 impact –** initial reduction on services with focus initially only on emergency repairs. These impacts are reflected in the Health and Safety of Citizens and Service Users; and Health and Availability of Employees to Deliver Critical Services risks included in the Covid-19 RMP. **Control Effectiveness –** 'some improvement required' assessment reflects the outcomes of the recent life safety and asbestos audits. The 2020/21 audit to assess progress with implementation of asbestos recommendations is in progress, and this assessment will be refreshed following completion. **2021/22 coverage –** Housing Property Services – Repairs Management
Place Development Business Growth and Inclusion Provides advice and support for businesses in the city, mainly through Business Gateway, and support for programmes to assist people into work.	🟠	N/A	TBC	Y	N	N	N	**Original Risk Assessment –** medium risk assessment reflects the reputational risk associated with the potential to provide incomplete; inaccurate; or poor quality advice to business. **Relevant CLT Risks -** reflected in the Service Delivery and Reputational CLT risks which have high and medium original risk assessments. **Covid-19 impact –**responsible for design and implementation of the discretionary grants process supporting allocation of grant funding across businesses in the city. Service has also transitioned to working from home arrangements. **Control Effectiveness –** has not been assessed as this is a relatively new service that has not been covered by any recent assurance reviews. **2021/22 coverage –** Management and Allocation of Covid-19 Grant Funding

Auditable Area	Original Risk	Control Effectiveness	Audit Frequency	Included in 2021/22 Plan	Included in 2020/21 Plan	Included in 2019/20 Plan	Included in 2018/19 Plan	Notes
Culture • Cultural Funding • Cultural Venues • Collections • Outreach • Archaeology	🔴	N/A	TBC	N	N	N	Y	**Original Risk Assessment –** high risk assessment reflects the health and safety risks associated with the ongoing operation of cultural venues; income collection; and allocation of cultural funding to applicants. **Relevant CLT Risks** - reflected in the Service Delivery; Health and Safety; and the Financial and Budget Management risks which have high and critical original risk assessments. **Covid-19 impact –** the main impact has been closure of cultural venues and the associated loss of income and impact on employees. These impacts are reflected in the Health and Safety of Citizens and Service Users; and the Financial and Economic strategic risks included in the Covid-19 RMP. **Control Effectiveness** – has not been assessed as the only recent review in this area covered allocation of grant funding to one specific charity. **2021/22 coverage** - no specific audits are planned in this area in 2021/22.

3. Annual Internal Audit plan – Step 7

3.1 Developing the IA annual plan

The next stage of the process following completion of the risk assessment is to build the annual IA plan, and figure 3 below illustrates how this is achieved.

Figure 3: IA annual planning process

Risk Assessment across the Audit Universe

(Less assurance already received and lower risk areas identified)

+
Ideas generated by Directorates/Divisions and Elected Members linked to risk, value for money and compliance

+ / -
IA resource requirements

=

2020/21 IA Plan

3.2 Internal Audit Resources

Available IA resources

As part of the annual planning process, the level of currently available IA resources, experience and skills was considered.

The overall capacity of currently projected available IA resources for 1 October 2020 to 31 March 2021 (excluding annual leave and public holidays) is 2,764 days. This assumes that there will be no turnover in the team during the plan year.

Allowing for potential sickness absence (2% of available days) and time reserved to support team training and personal development; performance management; ongoing enhancement of our audit system; and governance and committee reporting activities (circa 30% of available days) approximately 1,678 days are available to support delivery of the plan, which is proportionally aligned with IA capacity to deliver the plan in previous years.

The plan also includes circa 40 days contingency time which is the equivalent of 1.6 completed audits.

Two annual (low risk) audits requested by the Department for Transport and the Scottish Government are included in the plan. Both organisations have been contacted to determine whether these audits can be delayed until 2022/23 to enable focus on other higher risk areas. If these audits can be removed from the plan, this will release a further 40 days contingency time, increasing the total to circa 80 days.

Co-source arrangements

Established co-source arrangements are currently being re-procured as the previous contract with PwC will conclude on 31 March.   It is expected that the new co-source arrangement will be finalised early in the plan year, enabling use of co-source services to support specialist audits where the required skills sets, or capacity are not available within the IA team.

Capacity to deliver the IA plan

Based on the IA capacity model, the current IA structure is adequately resourced to support delivery of the proposed audit plan (detailed at 3.5 below) which requires a total of 1,870 available days.

This includes an allocation of including 25 days for completion of internal and external IA quality assurance assessments and delivery of training across the Council, leaving a balance of 1,845 assurance days to be delivered.

A total of 230 days will be delivered either through co-source arrangements, leaving balance of 1,615 assurance days to be delivered by the Council's IA team.

Additional resourcing challenges

Whilst the IA team is currently at full capacity, like all other teams within the Council, IA is required to ensure that it balances the requirements for both effectiveness and efficiency, which includes keeping resource levels under regular review.

If any new or emerging resourcing challenges occur during the year, they will be discussed initially with the Head of Legal and Risk and the Executive Director of Resources; the CLT; and the Convenor of GRBV. If resourcing issues remain unresolved following these discussions, the matter will be highlighted to a full GRBV Committee Meeting.

3.3   Proposed Internal Audit Annual Plan 2021 - 22

3.3.1 Plan Summary

The internal audit plan detailed below reflects the key areas of IA focus for 2021/22 and is based upon the PSIAS; the Council's organisational objectives and priorities; and an assessment of the CLT risks that could prevent the Council from meeting those objectives and providing services to citizens.

Each proposed review for 2021/22 has been cross referenced to the corresponding 11 strategic CLT risks presented to GRBV in December 2020 and the strategic risks included in the Covid-19 Risk Management Plan.

Audits delivered across the Council

A total of 46 audits are included in the 2021/22 IA plan. Of these 36 will be delivered across the Council, with the balance of 10 reviews delivered to support arm's length external organisations.

This number may reduce to 34 audits if permission is granted by the Department for Transport and the Scottish Government to delay their two annual (low risk) audits into the 2022/23 plan year.

A summary of proposed Council audit coverage in comparison to 2020/21 completed audits is detailed below. Please note that specific Directorate coverage will also increase as a result of Council wide thematic reviews.

Directorate	2021/22 Planned Audits	2020/21 Planned Audits	Comments
Council Wide	7	12	Council wide audits will cover all major service areas of the Council. This increase is due to inclusion of a number of Council-wide Covid-19 audits.
Council Wide	1	1	Follow-up. This involves review of completion of all agreed management actions prior to closure across all areas of the Council
Major Project Reviews	3	3	Includes ongoing agile IA work on the Adaptation and Renewal Programme; Tram to Newhaven and Enterprise Resource Planning Projects.
Resources	8	10	Increased coverage reflects a number of carried forward Digital Services audits from 2019/20 and addition of Covid-19 design assurance audits that are specific to the Resources directorate.
Chief Executive's Service / Strategy and Communications	4	1	Planned coverage is broadly aligned with the number of audits completed in 2019/20.
Communities and Families (including Safer and Stronger Communities)	4	4	Slight increase in coverage in comparison to audits completed in 2019/20. Additional coverage will also be provided planned by Council wide reviews.
Health and Social Care Partnership	2	2	No change in coverage in comparison to 2019/20. Additional coverage will also be provided planned by Council wide reviews.
Place	7	4	The Department for Transport and the Scottish Government have been contacted to determine whether the two annual (low risk) reviews completed for these organisations (Port Facility Security Plan, and Management of Development Funding) can be deferred until 2022/23. These audits
Totals	36	37	

Council wide reviews

Council-wide and multiple service reviews will potentially cover all Council directorates and divisions. These have been included to provide assurance on the key controls established to manage the most significant and thematic service delivery risks and processes across the Council.

It is important to note that a validation audit will be performed in 2021/22 to confirm that management actions implemented to support previously closed IA findings have been effectively implemented and sustained. This will provide assurance on the ongoing effectiveness of 'business as usual' operational service delivery risks that could potentially have been impacted by the Council's Covid-19 resilience response.

49

Follow Up

A total of 625 audit days (the equivalent of circa 25 audits) has been provided to support the ongoing IA follow up process This reflects an increase of 125 days (circa 5 audits) in comparison to prior years in response to the increased focus across the Council on closure of open IA findings.

This increase in follow-up days also reflects that IA will not apply a 'risk based' follow up approach during 2021/22, based on the need to further improve risk and control awareness and embed the risk and control culture across the Council. The potential to implement a risk based follow up approach will continue to be reconsidered annually.

IA services provided to arm's length external organisations

A total of 10 audits will be delivered for arm's length and external organisations (ALEOs): 4 for the Lothian Pension Fund; 3 for the Edinburgh Integration Joint Board; and the remaining 3 comprising one audit each for the Lothian Valuation Joint Board; SEStran; and the Edinburgh Royal Military Tattoo.

Use of co source arrangements to support plan delivery

A total of 9 audits (including 3 of the four planned Lothian Pension Fund audits) will be delivered by external specialists, which remains aligned with the number of specialist reviews completed in 2020/21.

These will include delivery of 4 technology related audits and 2 health and safety specialist audits for the Council.

This leaves a balance of 37 audits (30 Council audits plus the remaining 7 ALEO audits) to be delivered by the Council's IA team.

This approach will ensure that appropriate technology skills and experience is available to support the technology related audits and will also ensure that IA independence is appropriately maintained in relation to the planned Health and Safety audits.

Training

A total of 5 days has been included in the plan to support delivery of ongoing training across the Council. This reflects delivery of one half day of training per quarter that will be open to all employees; and IA attendance at, and involvement in, new start and senior management induction training.

Quality Assurance

A total of 20 days has been included for both internal IA quality assessment and the external quality assessment that is due to be completed in 2021/22, as per the five-year EQA cycle requirement specified in the PSIAS.

3.3.2 Areas Not Covered by the 2021/22 IA Annual Plan

Based on the IA risk assessment; control effectiveness; and audit coverage methodology, the following areas that were due for inclusion in the 2021/22 IA annual plan have not been included as available IA capacity has been directed towards other areas.

It should be noted that some of these areas may be covered by Council wide thematic reviews once the detailed scopes of these reviews have been determined.

As no IA assurance is planned in these areas, there is a possibility that the risks they manage may become issues in these areas.

Service	Original Risk Assessment	Audit Coverage Frequency	Last Reviewed
Resources			
Customer and Digital Services – Business Support	🟠	**TBC**	**2018/19**
Finance - Insurance Services	🔴	**TBC**	**Not Known**
Communities and Families			
Children's Services - Children with Disability	🔴	**TBC**	**Not Known**
Estates and Operational Support - Statutory Consultation and Catchment Reviews	🟠	**TBC**	**Not Known**
Children's Services - Looked After Children	⚫	**TBC**	**Care Inspectorate Assurance**
Children's Services - Young People's Service (12- 17)	🔴	**TBC**	**Not Known**
Schools and Lifelong Learning - Lifelong Learning	🟠	**TBC**	**Not Known**
Schools and Lifelong Learning - Pupil and Parent Support	🟠	**TBC**	**Not Known**
Schools and Lifelong Learning Children's Services - Lifelong Links	🔴	**TBC**	**Not Known**
Safer and Stronger Communities / Chief Social Work Officer Homelessness and Housing Support	⚫	**2**	**2019/20 – reliance on follow-up**
Health and Social Care Partnership			
HSC Sensory Support - Support for deaf, blind and partially sighted	🟠	**TBC**	**Not Known**
Place			
Place Management - Waste and Cleansing	🔴	**3**	**2018/19 – reliance on follow-up**
Place Management Roads and Transport Infrastructure	⚫	**2**	**2019/20 – reliance on follow-up**
Culture	🔴	**TBC**	**2018/19 – limited coverage**

3.3.3 Coordinated and Integrated approach with External Audit; Audit Scotland; and Local Area Network Members

External Audit

As noted at section 1.5 above, a coordinated and integrated approach will be adopted with IA and Azets working together to deliver assurance on three reviews - the Tram extension project; the Enterprise Resource Planning (ERP) project.; and Employee Lifecycle and Data management

A further 5 audits have been identified where Azets will endeavour to take account of the work performed by IA for their 2021/22 financial statements review. These are:

1. Covid-19 Thematic Lessons Learned
2. Records Management and Information Security with Focus on Remote Working
3. Management and Allocation of Covid-19 grant funding
4. Capital Budget Setting and Management
5. Employee Lifecycle and Data management

3.3.4 Internal Audit Annual Plan 2021 – 22

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
*Audit reviews where timing is specifically aligned to enable external audit to work with or take account of IA reviews. Note that the CLT risks have been mapped to the 11 strategic CLT risks included in the CLT risk register presented at GRBV in December 2020.								
Council-Wide – 8 audits (including follow-up)								
All relevant Council Directorates and Divisions.	(1) Employee Wellbeing Review will focus on the actions implemented by the Council during Covid-19 to assess and support employee wellbeing, with focus on the actions implemented to address the themes identified from employee wellbeing surveys.		✓			20	Covid-19 RMP 1; 3 CLT 4; 5; 9	Low
	(2) Records Management and Information Security Review of the design and effectiveness of processes implemented to support effective records management and information security following the implementation of home working, with focus on personal, sensitive, and paper based data and information.	✓				25	Covid-19 RMP 6 CLT 7	High
	(3) Statutory Request and Complaints Processes Review of the design and effectiveness of processes established to support statutory Freedom of Information and Subject Access Requests, and complaints processes.		✓			30	Covid-19 RMP 9 CLT 8;10	Medium

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Page 226	(4) <u>Management and Allocation of Covid-19 Grant Funding</u> Review of the design and effectiveness of processes established to support management and allocation of Covid-19 grant funding across the Council		✓			25	Covid-19 RMP Risk 7 CLT 2	High
	(5) <u>Implementation of Historic Whistleblowing Recommendations</u> Review of a sample of outcomes from historic whistleblowing recommendations to confirm that they have been effectively implemented and sustained. Note that this will include the full population of child protection whistleblowing recommendations.			✓		30	Covid-19 RMP 1 CLT 4	Medium
	(6) <u>Day Care to Adult Social Care Transition Arrangements</u> Review of the design and effectiveness of processes established to support the transition from day care (Communities and Families) to adult social care (Health and Social Care) arrangements.				✓	25	CLT 9; 11	Low
	(7) <u>Application Technology Controls</u> Review of the general (change management and access) and application (transaction processing) controls applied to technology applications hosted on Council networks and used to support service delivery.		✓			25	Covid-19 RMP 6 CLT 7; 9	High
	(8) <u>Follow Up</u> Ongoing follow up across all directorates and service areas to confirm that agreed management actions have been effectively implemented and sustained to support closure of IA findings raised.	✓	✓	✓	✓	625	N/A	Low
Resources – 8 audits								

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Customer and Digital Services	(1) Cyber Security – Technology Vulnerability Management Review of the processes applied by CGI to design and implement solutions to address new and emerging technology vulnerabilities identified from vulnerability scanning performed across both the corporate and learning and teaching networks.		✓			25	Covid-19 RMP 6 CLT 7; 9	Medium
Customer and Digital Services	(2) CGI Performance Reporting Review of the adequacy; completeness; and accuracy of technology service performance reporting provided by CGI to the Council, including the appropriateness of action taken to deal with any performance issues identified.			✓		25	Covid-19 RMP 6 CLT 7;9	Medium
Customer and Digital Services	(3) Use of the Verint CRM System to Support Recording and Remediation of Citizen Complaints and Queries Review of the design and effectiveness of the new citizen complaints and queries process following implementation of the Verint customer relationship management system. The review will include review of relevant system controls; capacity; and resilience arrangements.				✓	25	Covid-19 RMP 6 CLT 7; 9	Medium
Finance	(4) * Capital Budget Setting and Management Review of the design and effectiveness of capital budget setting and management processes applied across the Council.				✓	25	Covid-19 RMP 7 CLT 2	High
Finance	(5) Payment Card Industry Data Security Standard Compliance (PCI DSS) Review of the adequacy and effectiveness of the key controls established to ensure ongoing compliance with PCI DSS requirements designed to protect cardholder data that is processed, transmitted and stored by the Council.					25	Covid-19 RMP 6; 10 CLT 7; 9; 10	High

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Customer and Digital Services	(6) * Employee Lifecycle Data and Compensation and Benefits Processes Review of the key controls established to ensure the completeness and accuracy of employee lifecycle data and payroll calculations; and the accuracy of reconciliations between the Council's payroll and general ledger. Data analytics will be used to analyse payroll data for the financial year 1 April 2020 to 31 March 2021.			✓		20	Covid-19 RMP 9 CLT 2; 9; 10	High
Human Resources	(7) Design of Scottish Local Government Living Wage Requirements Review of the Council's design of the Scottish Local Government Living Wage requirements prior to implementation	✓				20	Covid-19 RMP 6; 9; CLT 3;7; 9; 10; 11	Low
Property and Facilities Management	(8) Repairs and Maintenance Framework Review of the design of the new repairs and maintenance framework for Council operational properties prior to implementation.				✓	25	CLT 2; 4; 6; 9	Medium
Strategy and Communications – 4 audits								
Resilience	(1) *Covid-19 Thematic Lessons Learned Review of the design and effectiveness of the processes applied to collate Covid-19 lessons learned across the Council and ensure that they are incorporated into future resilience plans.			✓		25	CLT 5	Low

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Democracy	(2) Elections Review of the design of the May 2021 elections process in the Covid-19 environment to confirm compliance with relevant Scottish Government and Public Health Scotland requirements and guidance.	✓				20	Covid-19 RMP 1; 9 CLT 4; 9; 10; 11	Low
Strategic Change and Delivery	(3) *Planning and Performance Framework Ongoing agile review of the design and implementation of the new planning and performance framework.	✓			✓	25	CLT 1; 8; 9	Low
Policy and Insight	(4) Council Emissions Plan Review of the framework designed to support implementation of the Council Emissions Plan prior to implementation				✓	25	CLT 1; 2; 3	Low
Communities and Families – 4 audits								
Schools and Lifelong Learning	(1) Technology Availability in Schools Review of the design and effectiveness of processes established to confirm the adequacy and support distribution of technology equipment to pupils to support remote learning during lockdown.		✓			25	Covid-19 RMP 6 CLT 7; 8; 9	Medium
Schools and Lifelong Learning with support from Customer and Digital Services	(2) Availability of Early Years Education and Alignment with the Poverty Strategy Review of the strategy to support expansion of the early years education programme and its alignment with the Council's poverty strategy. Review will also consider the design and effectiveness of processes to established to support allocation of places in line with eligibility criteria, and the Council's oversight of early years private partner providers.			✓		25	CLT Covid-19 RMP 7 1; 2; 3; 6; 8; 9; 10; 11	Medium

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Chief Social Work Officer / Safer and Stronger Communities.	(3) <u>Criminal Justice</u> Review of the design and effectiveness of the processes established to support supervising offenders in the community in line with applicable court orders and parole licences following release from custody; and preparation and submission of report to the Procurator Fiscal and Parole Board to support decisions in relation to prosecution alternatives, and early prison release.				✓	25	Covid-19 RMP 9 CLT 9; 10; 11	High
Children's Services	(4) <u>Implementation of Child Protection Recommendations</u> Review of a sample of closed child protection investigations to confirm that recommendations made have been effectively implemented and sustained.		✓			30	CLT 4; 8; 9; 10; 11	Medium
Health and Social Care – 2 audits								
Health and Social Care	(1) <u>Partnership Financial Sustainability</u> Review of the processes applied to confirm the ongoing financial sustainability of the partnership post Covid-19, and the design and appropriateness of proposed and / or completed actions to address any significant gaps identified.		✓			25	CLT 1; 2; 6	Low
	(2) <u>Transformation and benefits realisation</u> Review of transformation progress and benefits delivery. The audit will also consider how the impacts of Covid-19 have been reflected in transformation delivery timeframes and expected benefits.			✓		25	CLT 2; 3	Low
Place – 7 audits								

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Place Management	(1) Health and Safety of Outdoor Infrastructure Review of the design of effectiveness of processes established to ensure the health and safety of outdoor infrastructure (for example walls; railings; paths; and equipment in children's public play areas) owned and managed by the Council.		✓			30	CLT 4; 6; 9; 10; 11	Low
Place Management – Scientific Services	(2) Food and Water Testing Review of the design and effectiveness of the processes established to support food and water testing performed by scientific services in line with applicable Foods Standard Scotland and Environmental Health legislation, regulations and guidance.			✓		30	CLT 4; 9; 10; 11	High
Place Management	(3) Planning Review of the design and effectiveness of processes applied to support review and decisions in relation to householder applications and use of the Uniform technology application.	✓				25	CLT 7; 9; 10; 11	High
Place Management	(4) Council Housing Allocation Process Review of the use of the Edindex system to support registration; prioritisation; and allocation of Council housing requests.		✓			25	CLT 7; 8; 9; 10; 11	High
Place Management	(5) Housing Property Services Repairs Management Review of the design and effectiveness of processes applied by Housing Property Services to support prioritisation of urgent repairs during Covid-19, and prioritisation and resolution of non-urgent repair backlogs that accumulated during lockdown.			✓		25	CLT 4; 6; 8; 9; 10; 11	High

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Place Management	(6) Port Facility Security Plan Annual review of existence and operation of the Port Facility Security Plan as per Department for Transport requirements.		✓			20	CLT 4;10; 11	High
Place Management	(7) Transfer of the Management Development Funds Grant Annual review of the key controls supporting the transfer of the management of development funding from the Council to registered social landlords in line with Scottish Government requirements specified in their annual offer letter.		✓			20	CLT 2; 6; 9; 10	Low
Major Projects – 3 audits								
Place	(1) Trams to Newhaven Ongoing agile review of project governance; procurement; and gateway decisioning and payments. The audit will include ongoing assessment of the ongoing controls supporting the funding model. Project management will be assessed against published best practice from HM Treasury Green; Scottish Transport; the National Audit Office; and Audit Scotland. The review will also consider whether the lessons learned from the Tram Inquiry have been considered and applied.	✓	✓	✓	✓	80	CLT 1; 2; 3; 4;7	Medium
Resources	(2) Enterprise Resource Planning System Implementation Ongoing agile review of the project management and governance arrangements supporting implementation of the enterprise resource planning system.	✓	✓	✓	✓	80		Medium

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
Council Wide	(3) Adaptation and Renewal Programme Governance and Deliverables Ongoing agile review of the design of key Adaptation and Renewal Programme deliverables prior to implementation.		✓		✓	35		Low
Other Organisations – 10 audits								
LVJB	Lothian Valuation Joint Board - provision of internal audit services				✓	25	N/A	N/A
SEStran	SEStran - provision of internal audit services			✓		20	N/A	N/A
Royal Edinburgh Military Tattoo	Tattoo - provision of internal audit services				✓	20	N/A	N/A
Edinburgh Integration Joint Board	EIJB – provision of internal audit services				✓	25	N/A	N/A
				✓		25		
					✓	25		
Investment and Pensions – Lothian Pension Fund	Four planned reviews for Lothian Pension Fund (LPF) The scope of these reviews has been agreed with LPF and was included in the LPF annual audit plan to be presented to the Pensions Audit Committee in March 2021.			✓		20	N/A	Medium
					✓	20		
			✓			25		
		✓				25		
Miscellaneous – Internal Audit activities								
Internal Audit	Internal and External Audit Quality Assurance				✓	20	N/A	N/A
Internal Audit	Training			✓	✓	5	N/A	N/A

Auditable Area	Description	Q1	Q2	Q3	Q4	Audit Days	Link to CLT Risk/ COVID RMP Risk	Fraud (H/M/L)
	Total audits and plan days for the Council				36 audits	1,615 audit days		
	Total audits and plan days for other organisations				10 audits	230 audit days		
	Total audits and plan days included in the 2021/22 annual plan				46 audits	1,845 audit days		
	Plan days on Internal Audit Quality Assurance and Training				2 activities	25 days		
	Total audits and plan days (including IA activities)				48	1,870 audit days		

Appendix 1: Detailed methodology

1. Original and current risk assessment process

The internal audit plan should focus on the highest risk areas of the Council. Consequently, each auditable area is allocated an original risk rating that considers the impact of the range of original risks that they are exposed to, should they crystallise, and the likelihood that these risks will crystallise.

The criteria used to assess impact and likelihood are included at Appendix 2.

		Likelihood Rating				
		1	**2**	**3**	**4**	**5**
Impact Rating	**5**	Medium	Medium	High	High	Critical
	4	Low	Medium	Medium	High	High
	3	Low	Low	Medium	Medium	High
	2	Low	Low	Low	Medium	Medium
	1	Low	Low	Low	Low	Low

Risk Assessment Outcomes	
Low	It is unlikely that risks will become issues. If the risks do become issues, it is likely that they will only have a minor impact on the Council's objectives performance; and service delivery
Medium	There is a moderate likelihood that risks will become issues. If the risks do become issues, it is likely that they will have a moderate impact on the Council's objectives performance; and service delivery
High	There is a strong likelihood that risks will become issues. If the risks do become issues, it is likely that they will only have a significant impact on the Council's objectives performance; and service delivery
Critical	It is likely that risks will become issues. If the risks do become issues, it is likely that they will have a significant adverse impact on the Council's objectives performance; and service delivery

2. Control environment assessment

The strength of the control environment within each auditable area is assessed using the descriptions detailed in the table below.

This is assessment is based on:

- Revisiting the outcomes from previous internal audits, including the current open and overdue IA recommendations position;
- The current open and overdue findings position for each area;
- Consultation with Senior Management; GRBV Committee members; and political groups.
- Considering the outcomes of the 2nd and 3rd line of defence oversight and assurance providers.

Control Environment Assessment Definitions	
Effective	- The control environment and governance and risk management frameworks have been adequately designed and are operating effectively, providing assurance that risks are being effectively managed, and the Council's objectives should be achieved. - The majority of assurance outcomes in this area have been assessed as 'effective', or 'some improvement required', with no 'significant improvement required' or 'critical' outcomes. - The area has no overdue assurance actions that have not been implemented.
Some improvement required	- Whilst some control weaknesses are evident in the design and / or effectiveness of the control environment and / or governance and risk management frameworks, they provide reasonable assurance that risks are being managed, and the Council's objectives should be achieved - The majority of assurance outcomes in this area have been assessed as either 'effective', or 'some improvement required', with no or few 'some improvement required' outcomes, and no 'critical' outcomes. - The area has some overdue assurance actions that are not significant (rated either 'low' or 'medium' and none that are more than six months overdue.
Significant improvement required	- Significant and / or numerous control weaknesses are evident in the design and / or effectiveness of the control environment and / or governance and risk management frameworks. Consequently, only limited assurance can be provided that risks are being managed and that the Council's objectives should be achieved. - The majority of assurance outcomes in this area have been assessed as 'significant improvement required', or 'some improvement required', with no 'critical' outcomes. - The area has a number of significant (High and Medium) overdue assurance actions that are more than six months overdue.
Inadequate	- The design and / or operating effectiveness of the control environment and / or governance and risk management frameworks is inadequate, with a number of significant and systemic control weaknesses identified, resulting in substantial risk of operational failure and the strong likelihood that the Council's objectives will not be achieved. - The majority of recent assurance outcomes in this area have been assessed as 'significant improvement required', with at least one 'critical' outcome. - The area has a number of significant (Critical and High) overdue assurance actions that are more than one year overdue.

3. Audit requirement rating

The original risk and the control environment ratings are then used to calculate the audit requirement rating. Is approach ensures that audit work is focused on high risk areas where controls may not be adequately designed and / or operating effectively.

		Control Environment Assessment			
		Inadequate	Significant Improvement Required	Some Improvement Required	Effective
Risk Assessment Outcomes	Critical	1	1	2	3
	High	1	2	3	4
	Medium	2	3	4	5
	Low	3	4	5	5

4. Key to frequency of audit work

Audit Requirement Rating	Frequency
1	Annual
2	Every two years
3	Every three years
4	Every four years
5	Every five years

Appendix 2 – Original and Current Risk assessment criteria

We determine original (pre controls) risk as a function of the estimated **impact** and **likelihood** for each auditable area across the Council as detailed below:

Impact rating	*Assessment rationale: The area is exposed to a range of risks that could have the following impacts on the Council:*
5	Critical impact on operational performance; or Critical monetary or financial statement impact; or Critical breach in laws and regulations and / or delivery of statutory requirements that could result in material fines or consequences; or Critical impact on the reputation/brand of the Council which could threaten its future viability.
4	Major impact on operational performance; or Major monetary or financial statement impact; or Major breach in laws and regulations and / or delivery of statutory requirements, resulting in significant fines and consequences; or Major impact on the reputation or brand of the Council.
3	Moderate impact on the Council's operational performance; or Moderate monetary or financial statement impact; or Moderate breach in laws and regulations and / or delivery of statutory requirements with moderate consequences; or Moderate impact on the reputation of the Council.
2	Minor impact on the Council's operational performance; or Minor monetary or financial statement impact; or Minor breach in laws and regulations and / or delivery of statutory requirements with limited consequences; or Minor impact on the reputation of the Council.
1	Insignificant impact on the Council's operational performance; or Insignificant monetary or financial statement impact; or Insignificant breach in laws and regulations and / or delivery of statutory requirements with little consequence; or Insignificant impact on the reputation of the Council.

Likelihood rating	*Assessment rationale*
5	Has occurred or is likely to occur in the near future
4	Possible in the next 12 months
3	Possible in the medium term (2-5 years)
2	Possible in the longer term (5-10 years)
1	Unlikely in the foreseeable future

Appendix 3 – Reserve List of Audits for the IA Plan

Directorate	Division	Proposed Audit
Council Wide	All divisions	Council Purchase / Pre Paid Cards
		Disciplinary Policy and Processes
		Enhanced / Intensive Housing Benefit
		Management and Application of Standing Orders and Scheme of Delegations
Communities and Families	Schools and Lifelong Learning	Community Centres Oversight and Engagement
		Devolved Schools Governance and Oversight
	Community Safety	Community policing
Resources	Legal and Risk	Corporate Health and Safety
	Property and Facilities Management	Corporate Catering
	Customer and Digital Services	Website and Intranet Management
	Human Resources	Mandatory training
Chief Executive's Office	Strategy and Communications	Citizen Engagement - Included in March 2020 proposed plan
Place	Culture	Usher Hall ticketing system
	Place Development	Housing Property – Tenancy Management
Health and Social Care	Accommodation	Care Homes Follow Up - not completed in 2019/20 due to Covid-19
Major Projects	All divisions	Management and Delivery of Savings Projects

This page is intentionally left blank

Governance, Risk and Best Value Committee

10:00am, Tuesday, 23 March 2021

Internal Audit Charter Annual Update 2021/22

Item number	
Executive/routine	Executive
Wards	
Council Commitments	

1.   Recommendations

1.1   It is recommended that the Governance, Risk and Best Value Committee:

1.2   reviews and approves the refreshed 2021/22 Internal Audit (IA) Charter; and,

1.3   the Committee Convenor agrees to sign the refreshed Charter, together with the Chief Executive and Chief Internal Auditor, evidencing the commitment of all three key stakeholders to support IA in effective delivery of the annual plan and 2021/22 annual IA opinion.

Lesley Newdall

Chief Internal Auditor

Legal and Risk Division, Resources Directorate

E-mail: lesley.newdall@edinburgh.gov.uk | Tel: 0131 469 3216

Report

Internal Audit: Internal Audit Charter Annual Update

2.   Executive Summary

2.1   The purpose of this paper is to present the revised Internal Audit Charter for 2021/22 to the Governance, Risk, and Best Value Committee for approval.

2.2   Public Sector Internal Audit PSIAS (the PSIAS) specify that the purpose, authority, and responsibility of Internal Audit (IA) must be formally defined in an Internal Audit Charter (the "Charter") that is periodically reviewed and presented to senior management, the Corporate Leadership Team (CLT), and the board (the Governance, Risk, and Best Value Committee) for approval. The Council's IA charter fulfils this requirement.

2.3   The Chartered Institute of Public Finance and Accountancy (CIPFA) April 2019 statement on the 'Role of the Head of Internal Audit (HIA) in Public Service Organisations' sets out the responsibilities of the HIA and management teams across the public sector to ensure that Public Sector Internal Audit Standards (the PSIAS) are maintained and that both HIAs and their teams operative effectively. The Council's IA charter also details how these IA and management responsibilities will be delivered.

3.   Background

3.1   CIPFA is the standard setter for internal audit; governance; and financial accounting across the public sector.

3.2   CIPFA worked collaboratively with the Institute of Internal Auditors (the IIA) to develop a set of PSIAS that are based on the mandatory elements of IIA's International Professional Practices Framework.

3.3   The PSIAS were originally published in April 2013 and last refreshed in April 2017.

3.4   In April 2019 CIPFA published a new Statement (the Statement) titled 'the Role of the Head of Internal Audit (HIA) in Public Service Organisations' that is aligned with PSIAS 2017 and is explicitly linked to the Core Principles for the Professional Practice of Internal Auditing,

3.5   The Statement includes five principles that set out not only the responsibilities of the HIA but also those of public sector organisations and their management teams to ensure that PSIAS compliance is maintained and that both HIAs and their teams operative effectively. The five principles are also supported by 28 leadership team and 23 core HIA responsibilities.

3.6   The PSIAS specify (at section 1000) that the purpose, authority, and responsibility of IA must be formally defined in a charter that is periodically reviewed and presented to senior management and the board for approval.

3.7   The PSIAS state that the IA Charter must also define the terms 'board' and 'senior management' for the purposes of IA activity; cover arrangements for appropriate resourcing; define the role of IA in any fraud-related work; and include arrangements for avoiding conflicts of interest if IA audit undertakes non-audit activities.

3.8   Within the Council, the role of the chief audit executive is fulfilled by the Chief Internal Auditor, the role of senior management is fulfilled by the CLT, and the board role is undertaken by the GRBV.

3.9   The IA charter is presented to both the CLT and GRBV annually in March for scrutiny and approval.

4.   Main report

4.1   The Charter specifies the authority, role, scope, and objectives of IA; outlines the IA operational framework; and management responsibilities to support IA with delivery of the annual plan in line with both PSIAS and the CIPFA Statement. The content of the Charter covers the following specific areas:

    4.1.1   Executive summary;

    4.1.2   Purpose of Internal Audit;

    4.1.3   Definitions;

    4.1.4   Independence and objectivity (including reporting lines);

    4.1.5   Authority;

    4.1.6   Objectives and responsibility of Internal Audit;

    4.1.7   Professionalism;

    4.1.8   Internal Audit plan;

    4.1.9   Agile Auditing and Consultancy;

    4.1.10   Resourcing;

    4.1.11   Management responsibilities;

    4.1.12   Follow up;

    4.1.13   Reporting

    4.1.14   Internal Audit annual opinion;

    4.1.15   Fraud and corruption; and,

4.1.16   Quality Assurance and Improvement Programme.

4.2   The Charter has been reviewed and appropriate amendments made to refresh it for 2021/22. The refreshed charter includes the following changes that should be brought to the Committee's attention.

4.2.1   Section 1 – a paragraph has been included confirming that the authority of the charter extends to the Council and all subsidiary companies owned and / or controlled by the Council where IA is requested to provide independent assurance. Whilst this had always been an implicit assumption, it had not been explicitly confirmed previously.

4.2.2   Section 4 – Independence and Objectivity has been updated to reflect additional measures implemented to minimise the potential risk of any potential conflicts of interest that could arise following the recent (November 2020) combination of Corporate Risk Management and Internal Audit management responsibilities under the CIA role.

4.2.3   Section 9 – a new Agile Auditing and Consultancy section has been included reflecting IA's agile auditing and consultancy approach adopted to provide assurance and support across the Council, in addition to the established IA methodology. This approach was considered and noted by the Committee in July 2020.

5.   Next Steps

5.1   The charter will be signed once approved by the Chief Internal Auditor, the Chief Executive and the Convenor of the Committee and will then be applied by both IA and management to support delivery of the 2021/22 IA plan in line with both the PSIAS and the CIPFA Statement.

6.   Financial impact

6.1   There is no direct financial impact arising from this report.

7.   Stakeholder/Community Impact

7.1   Approval of the Charter will enable IA to operate within the requirements specified in the PSIAS and the CIPFA Statement.
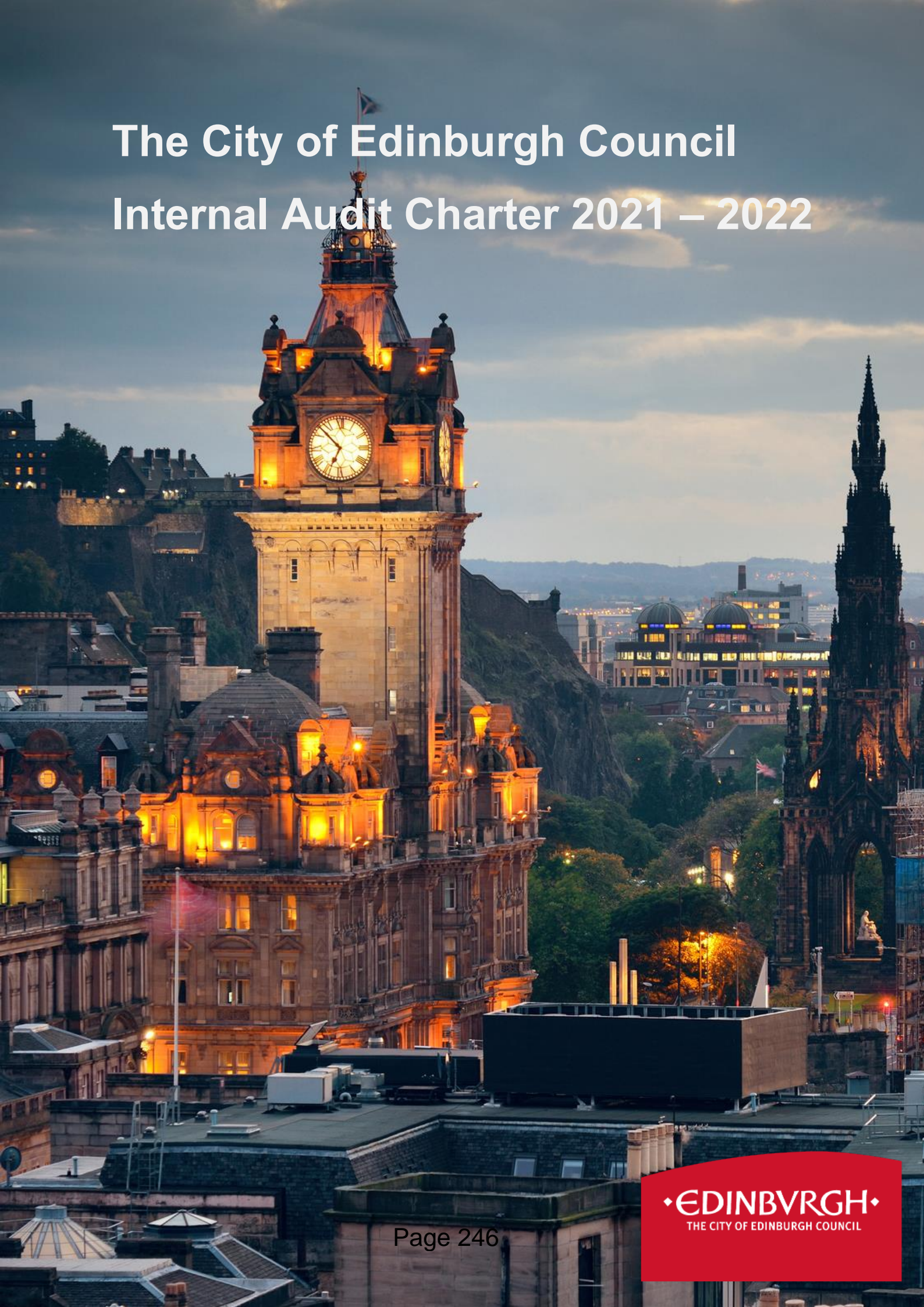
8. Background reading/external references

8.1   Public Sector Internal Audit Standards PSIAS

8.2   CIPFA Statement on the role of the HIA in public sector organisations

8.3   Agile Auditing and Consultancy Support - item 8.2

9. Appendices

9.1   Appendix 1 – Refreshed Internal Audit Charter 2021 - 22

The City of Edinburgh Council

Internal Audit Charter 2021 – 2022

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Appendices

1. Executive Summary

The Chartered Institute of Public Finance and Accountancy (CIPFA) is the standard setter for internal audit; governance; and financial accounting across the public sector.

Recognising the need to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit (IA) across the public sector, CIPFA worked collaboratively with the Institute of Internal Auditors (the IIA) to develop a set of Public Sector Internal Audit Standards (the PSIAS) that are based on the mandatory elements of IIA's International Professional Practices Framework (IPPF).

The original PSIAS were published in April 2013 and last refreshed in April 2017.

The PSIAS are applicable across the whole of the public sector and are intended to ensure sound corporate governance and set out roles and responsibilities for both IA and management to support delivery of IA services.

In April 2019 CIPFA published a new Statement (the Statement) titled 'the Role of the Head of Internal Audit (HIA) in Public Service Organisations' and an associated publication titled 'Leading Internal Audit in the Public Sector: Putting Principles into Practice' that highlights good practices adopted across public sector IA teams.

The Statement is aligned with PSIAS 2017 and is explicitly linked to the Core Principles for the Professional Practice of Internal Auditing, helping to demonstrate how the HIA role supports IA effectiveness.

CIPFA confirms in the Statement that the main reasons for its publication are the ongoing challenges faced by HIAs in public services in ensuring that professional standards are consistently maintained, and that their IA teams remain effective, as the organisations that they audit have a direct impact on IA resources, scope and authority.

Whilst HIAs must deliver a professional service to the best of their ability, it is important to recognise that successful audit delivery requires services to work together with the internal audit team and HIA to ensure that the organisation meets the standards required.

The Statement includes five principles that set out not only the responsibilities of the HIA but also those of the organisations and their management teams to ensure that IA professional standards are maintained and that both HIAs and their teams operative effectively. The five principles are also supported by 28 leadership team and 23 core HIA responsibilities.

This Charter sets out the purpose, scope, authority, and responsibility of the City of Edinburgh Council's (the Council) IA function in accordance with the Public Sector Internal Audit Standards (PSIAS) and the April 2019 CIPFA Statement

2. Purpose of Internal Audit

The purpose of IA is to provide a high-quality independent audit service to the Council, in accordance with PSIAS, that provides assurance over the risk management frameworks; control environments; and governance frameworks established to manage the Council's key risks and ensure that the Council's strategic and operational objectives can be achieved.

The PSIAS recognise that IA's remit extends to the entire control environment of the organisation and not just to financial controls.

IA assurance is provided by delivering an annual schedule of audit work that independently and objectively assesses the design and effectiveness of the controls established to manage the Council's most significant risks, with the remaining risks covered on a cyclical basis.

The IA scope covers all Council activities, and the activities of external parties listed in Appendix 1.

In addition to their primary role, IA will also:

- Support the Chief Executive as the Council's statutory Head of Paid Service in the discharge of their duties;
- Support the Head of Finance as the Council's statutory Chief Finance Officer in undertaking their duties as the 'Section 95 Officer';
- Support the Head of Legal and Risk as the Council's statutory Monitoring Officer in undertaking their duties;
- Advise on the internal control implications of system or process changes within the Council;
- Assist management in their duties to prevent and detect fraud and corruption; and
- Aim to add value to the Council in all its undertakings.

3. Definitions

The PSIAS requires the that all public sector IA charters define the terms 'Chief Audit Executive (CAE)', 'Senior Management' and 'Board'

Within the Council, the role of the 'CAE' is fulfilled by the Chief Internal Auditor (CIA), the role of the 'Chief Financial Officer' is fulfilled by the Council's Head of Finance (who is the designated statutory Section 95 Officer), the role of the 'Senior Management' is fulfilled by the Council's Corporate Leadership Team (CLT) and the 'Board' role is undertaken by the Governance, Risk, and Best Value (GRBV) committee.

The Council has adopted the PSIAS definition of internal auditing as follows:

'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation establish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes'.

The Council has adopted the PSIAS definition of assurance services as follows:

'An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation. Examples may include financial, performance, compliance, system security and due diligence engagements.'

The Council has adopted the PSIAS definition of independence as follows:

'Freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner'.

The Council has adopted the PSIAS definition of impairment as follows:

'Impairment to organisational independence and individual objectivity may include personal conflict of interest; scope limitations; restrictions on access to records, personnel, and properties; and resource limitations (funding).'

The Council has adopted the PSIAS definition of consulting services as follows:

'Advisory and Auditee related service activities, the nature and scope of which are agreed with the Auditee, that are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training'.

4. Independence and Objectivity

To ensure that IA independence and objectivity is maintained, IA will remain free from interference from anyone within the Council in relation to audit selection, scope, procedures, frequency, timing, and report content.

CIA Responsibilities for Corporate Risk Management

Where IA also has responsibility for non-audit activities, the PSIAS requires that appropriate arrangements are established to avoid conflicts of interest.

In response to the CIAs combined responsibilities Corporate Risk Management and Internal Audit with effect from November 2020, the following arrangements have been established to ensure that any any potential conflicts of interest that could impact upon IA independence and objectivity are avoided:

- IA Principal Audit Managers (PAMs) will independently determine whether an audit of second line Corporate Risk Management should be included in the annual plan, and a statement will be included in the annual plan to confirm why Corporate Risk Management has not been included.

- Any internal audits of Corporate Risk Management will be performed by independent arms-length external consultants, with the terms of reference and final report reviewed and approved by Internal Audit Principal Audit Managers.

- Follow-up to confirm effective implementation of findings raised in Corporate Risk Management internal audits will be performed by the external consultants who completed the initial review.

- PAMs will independently determine the extent of second line Corporate Risk Management audit coverage in any other audits (for example Council wide audits) included in the external audit annual plan when planning these reviews.

- The Chief Internal Auditor / Chief Risk Officer will clearly state in which capacity (audit or risk) they are attending meetings.

- A statement will be included in the annual opinion from the PAMs confirming whether there has been any conflict of interest between the Chief Internal Auditor and Chief Risk Officer roles that have potentially impacted internal audit independence.

- A direct escalation route will apply enabling PAMs to raise any potential concerns in relation to conflicts of interest with the Head of Legal and Risk; the Executive Director of Resources; the Chef Executive; and independently to the Convenor of the Governance, Risk, and Best Value Committee.

5

Additionally, IA will not be permitted to audit any activities for which they have previously been responsible within a period of one year; and will not engage in any other activity that may impair judgment or independence.

Where consulting services are provided, the IA role will be specifically restricted to providing guidance, views, and opinions. To comply with PSIAS independence requirements IA will not be involved in any aspects of operational decisions subsequently taken by management.

PSIAS also requires the CIA to report to a level within the organisation which allows IA to fulfil its responsibilities and ensure that organisational independence is maintained. Within the Council, the CIA reports to the Head of Legal and Risk, the Executive Director of Resources, the Chief Executive, and GRBV.

The CIA will confirm to the GRBV, at least annually, the organisational independence of IA. The CIA will also inform the Convener of the GRBV of any real or potential impairment of organisational independence.

5. Authority

IA derives its authority from full Council and the Corporate Leadership Team (CLT). To ensure that IA objectives are achieved, and their independence maintained with no impairment, and with strict accountability for confidentiality and safeguarding records and information, IA is authorised by the CLT to:

- have full, free, and unrestricted access to any and all of the Council's records, assets, physical properties, and personnel.

- have free and unrestricted access to all Officers, the CLT and GRBV;

- raise findings in relation to any control gaps identified that could expose the Council to significant risk where these are identified outwith the scope of audit reviews included in the IA annual plan.

- review and report on the content of the annual governance attestations prepared by the Council's Chief Executive and the Executive Directors to confirm whether the content in relation to effective management of risk and control across the services delivered by the Council appropriately reflects the outcomes of completed audit work and progress with implementation of agreed management actions.

Additionally, all Officers are required by the CLT to assist Internal Audit in fulfilling its roles and responsibilities.

6. IA Objectives and Responsibilities

IA responsibilities include the requirement to independently review, evaluate and report on the following across all areas of the Council:

- the adequacy and effectiveness of the systems of financial, operational and management control and their operation in practice in relation to the risks facing the Council;

- the extent of compliance with, relevance of, and financial effect of, policies, standards, plans and procedures established by the Council and the extent of compliance with external laws and regulations, including reporting requirements of regulatory bodies;

- the extent to which Council assets and interests are acquired economically, used efficiently, accounted for, and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause, and that adequate business continuity plans exist;

- the suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify measure, classify, and report such information;

- the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud, and loss of all kinds; and that the process aligns with the Council's strategic goals;

- the follow-up action taken to remedy any weaknesses identified by IA review, ensuring that good practice is identified and communicated widely;

- the operation of the Council's corporate governance arrangements; and

- the risk of fraud as part of the audit work performed. Where required, the role of IA is to provide support to the officers appointed to investigate potential fraud cases.

7. Professionalism

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined; must make balanced assessments of all the relevant circumstances; and not be unduly influenced by their own or others interests in forming judgments.

To achieve this, IA will ensure that it conducts its work with due professional care and in line with the requirements of the PSIAS or other relevant professional standards.

IA will comply with the PSIAS mandatory guidance, including the Definition of Internal Auditing and the Code of Ethics (the Code). This mandatory guidance is set of principles detailing the fundamental requirements for IA professional practice and evaluating the effectiveness of IA's performance.

The four principles contained within the Code are: Integrity, Objectivity, Confidentiality and Competency.

Additionally, IA will comply with relevant Council policies and procedures and IA's standard operating procedures manual.

The CIA is expected to report on PSIAS compliance in the annual opinion.

8. Internal Audit Plan

Annually, the CIA will submit to the GRBV an IA plan for the following audit year, designed to support provision of an annual evidence based opinion, for their review and approval.

This plan will be developed, based on a prioritisation of the audit universe using a risk-based methodology including input, as a minimum, from Elected Members, the Chief Executive, the

Executive Director of Resources, the Head of Legal and Risk (statutory Monitoring Officer), the Head of Finance (statutory section 95 Chief Financial Officer), the Chief Risk Officer, the CLT and the GRBV.

The nature of evolving risks makes it likely that the audit assignments included annual plan may be subject to change.

Consequently, the IA audit plan will be kept under review and any significant deviation from the approved plan (due to emerging risks, fraudulent activity or other factors that result in changes to planned IA or consulting activities) will be approved by both CLT and GRBV in line with the agreed process for approving changes to the annual plan (included at Appendix 4).

The PSIAS also notes that when preparing the annual plan, the CIA should share information, coordinate activities, and consider relying upon the work of other internal and external assurance and consulting service providers to ensure proper coverage and minimise duplication of effort.

Where this approach is adopted, a consistent process for the basis of reliance should be established. Where reliance is placed on the work of others, the CIA remains accountable and responsible for ensuring that there is adequate support for conclusions and opinions reached where reliance has been placed on work performed by other assurance providers.

Consequently, when dealing with an external party, IA will clearly define the respective roles, responsibilities, and other expectations (including restrictions on distribution of results of the engagement and access to engagement records).

IA also reserves the right to raise findings on areas that have not been specifically included in the annual plan where significant or systemic control gaps are evident.

9.   Agile Auditing and Consultancy

The PSIAS notes that IA should also consider providing consultancy services based on their potential to improve management of risks, add value, and improve the organisation's operations, and states that Approval must be sought from the board or any significant additional consulting services not already included in the audit plan, prior to accepting the engagement

IA has established an agile auditing and consultancy approach to provide assurance and support across the Council in addition to established IA methodology. This approach is detailed in the paper presented to; considered; and noted by the GRBV in July 2020 – item 8.2.

To ensure full conformance with PSIAS, details of the agile audits and consultancy work undertaken will be included in the IA annual plan, and their outcomes included in the IA annual opinion. Consequently, addition of agile audits and consultancy reviews to the IA annual plan will also follow the agreed process for approving changes to the annual plan (included at Appendix 4).

The design of the agile assurance methodology and consultancy support processes are fully aligned with PSIAS requirements to ensure that they will not impact upon, or result in, impairment of IA independence and objectivity.

10. Resourcing

The CIPFA Local Government Application note for applying UK Public Sector Internal Auditing Standards states that '*No formula exists that can be applied to determine internal audit coverage needs. However, as a guide, the minimum level of coverage is that required to give an annual evidence based opinion. Local factors within each organisation will determine this minimum level of coverage*'.

Audit Scotland have advised that that they expect a risk based IA plan to be prepared and that they would expect sufficient resources to be in place to accommodate all high-risk items identified.

The Council's IA plan will reflect Audit Scotland's requirements and include budgeted resource requirements for the following year. It will also include a contingency to address unplanned work. Should circumstances arise during the year that suggests that available resource levels will fall or appear to be falling below the level required to deliver the plan, the CIA will communicate the impact of resource limitations and significant interim changes to both the CLT and GRBV.

11. Management Responsibilities

Management will co-operate with IA on assignments and provide access to records, systems and staff as required within a reasonable timeframe following the request.

An IA journey map and key performance indicators (KPIs) have been developed and were approved by both the CLT and GRBV in January 2019. The purpose of the key performance indicators is to ensure that both IA and management support effective and timely delivery of the annual plan (refer Appendix 2).

All audit and consulting assignments will be the subject of formal reports or formal management letters. Draft reports will be shared with management teams for agreement as to the factual accuracy of draft findings raised, and awareness of IA recommendations designed to address the control weaknesses identified.

It is management's responsibility to:

- accept the risk associated with not implementing IA recommendations (with supporting rationale); or
- agree to address the risks identified by adopting an alternative approach to that recommended by IA; or
- accept and fully implement all IA recommendations.

When a draft audit report is delivered, management are required to provide formal responses (agreed management actions) to all IA findings raised and supporting recommendations, including specifying responsibility and anticipated dates for the implementation of these actions, in line with timeframes specified in the KPIs included at Appendix 2.

Management is also responsible for the ensuring that agreed management actions are implemented and effectively sustained.

PSIAS also require the CIA to report to both CLT and GRBV information about management's response to risk that (based on the CIA's judgement) may be unacceptable to the Council. Consequently, any High and Medium rated IA findings where management has accepted the risk will be highlighted in IA GRBV reports.

12. Follow up

IA will follow up and report progress with implementation of agreed management actions to support closure of findings raised on a regular basis and seek to confirm that they have been undertaken within agreed timescales.

IA does not currently apply a 'risk based' follow up approach based on the need to further improve risk and control awareness and embed the risk and control culture across the Council. Consequently, all agreed management actions will be subject to review by IA to confirm that they have been effectively implemented prior to closure. This approach will be reconsidered annually.

The follow up process involves review of evidence provided by management to support implementation of agreed management actions, and reperformance testing to confirm that they have been effectively implemented and sustained.

Additionally, IA may opt to include a 'validation' audit in the annual plan that will challenge and confirm whether historic management actions implemented to address control gaps and mitigate risks have been appropriately sustained and embedded.

13. Reporting

The CIA is also professionally responsible and accountable to GRBV for IA performance, and reports regularly on the progress with, and results of its work to both the CLT and the GRBV, enabling review and scrutiny of the following areas as required by PSIAS:

Report	CLT	GRBV
1. IA Annual Charter	annually	annually
2. IA annual audit plan, including IA capacity and resourcing	annually	annually
3. Plan delivery progress: • including achievement of IA and management KPIs) • audit outcomes • management's acceptance of risk	quarterly	quarterly
4. Proposed changes to the IA annual plan	as required	as required
5. Open and overdue IA findings and management actions	monthly	quarterly
6. Annual opinion including: • IA independence	annually	annually

• conformance with Code of Ethics; • conformance with PSIAS and the CIPFA statement		

13. Internal Audit Annual Opinion

The PSIAS specify that the CIA must deliver an annual IA opinion and report that can be used by the organisation to inform its annual governance statement.

This opinion is based on the outcomes of the audits included in the annual plan; progress with implementation of agreed management actions to support closure of IA findings; the result of any other IA activities that have identified control gaps that are exposing the Council to risk; and the professional judgement of the CIA

PSIAS specify that the IA annual opinion must:

- conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control; and
- include a statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.

The annual opinion will also include a statement that confirms whether both IA and management have met their collective responsibilities as specified in the CIPFA Statement published in April 2019.

Details of the definitions applied by IA when preparing the annual opinion have been refreshed and are included at Appendix 3.

14. Fraud and Corruption

Management are responsible for the prevention and detection of fraud or corruption.   IA will assist management in the discharge of this responsibility.

Audit procedures alone cannot guarantee that all fraud or corruption will be detected. IA will however exercise an appropriate level of professional skepticism during audit field work and be alert to risks and exposures that could allow fraud or corruption to occur.

Discovery of any fraud or irregularity that affects the Council's affairs should be reported immediately to the CIA as specified within the Council's Fraud Prevention Policies, Anti-Bribery Policies, and the Employee Code of Conduct, to inform the annual audit opinion and the risk based plan.

15. Quality Assurance and Improvement Programme

IA will maintain a quality assurance and improvement programme that covers all aspects of IA activity. The programme will include an evaluation of IA's compliance with PSIAS and CIPFA statement requirements, and an evaluation of whether internal auditors apply the Code of Ethics. The programme will also assess the efficiency and effectiveness of IA and identifies opportunities for improvement.

11

The CIA is also responsible also for providing a periodic self-assessment of IA, as regards its consistency with the Audit Charter (purpose, authority, and responsibility) and performance relative to its Plan.

The CIA will communicate to the CLT and the GRBV on IA's quality assurance and improvement programme, including results of ongoing internal assessments and external assessments conducted at least every five years.

Page 257

16. Approval

This charter is subject to approval by the Chief Executive Officer and the Governance, Risk, and Best Value Committee on an annual basis.

Signed by:

Chief Internal Auditor, The City of Edinburgh Council

Chief Executive, The City of Edinburgh Council

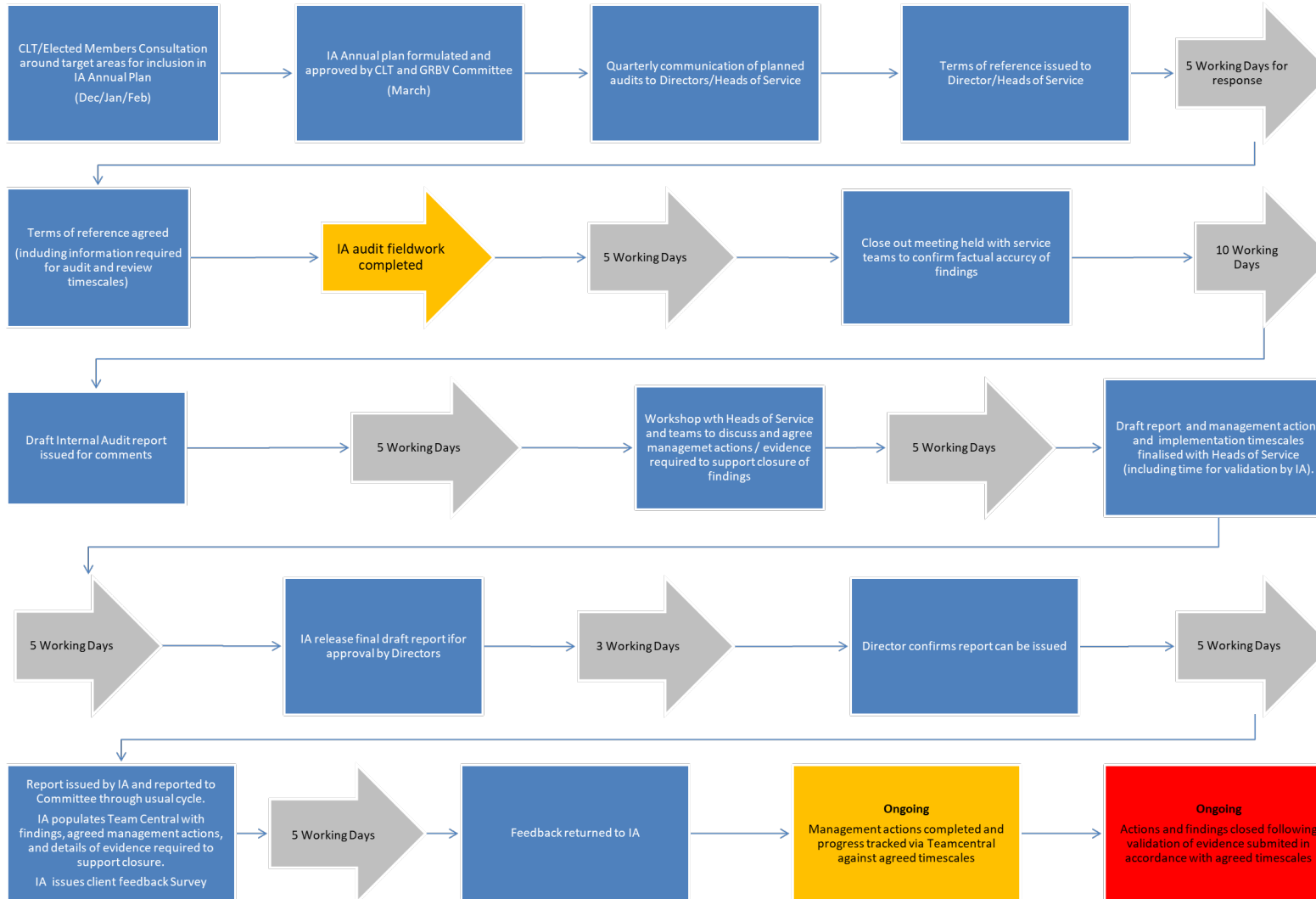Convener of the Governance, Risk, and Best Value Committee:

Content approved by the Governance, Risk, and Best Value Committee:

Appendix 1: External bodies for which the City of Edinburgh Council Internal Audit performs internal audit work

- Edinburgh Integration Joint Board

- Lothian Valuation Joint Board

- South East of Scotland Transport Partnership

- The Royal Edinburgh Military Tattoo (Charities) Limited

Appendix 2: Internal Audit journey map and key performance indicators

CLT/Elected Members Consultation around target areas for inclusion in IA Annual Plan (Dec/Jan/Feb) → IA Annual plan formulated and approved by CLT and GRBV Committee (March) → Quarterly communication of planned audits to Directors/Heads of Service → Terms of reference issued to Director/Heads of Service → 5 Working Days for response

Terms of reference agreed (including information required for audit and review timescales) → IA audit fieldwork completed → 5 Working Days → Close out meeting held with service teams to confirm factual accurcy of findings → 10 Working Days

Draft Internal Audit report issued for comments → 5 Working Days → Workshop wth Heads of Service and teams to discuss and agree managemet actions / evidence required to support closure of findings → 5 Working Days → Draft report and management actions and implementation timescales finalised with Heads of Service (including time for validation by IA).

5 Working Days → IA release final draft report ifor approval by Directors → 3 Working Days → Director confirms report can be issued → 5 Working Days

Report issued by IA and reported to Committee through usual cycle. IA populates Team Central with findings, agreed management actions, and details of evidence required to support closure. IA issues client feedback Survey → 5 Working Days → Feedback returned to IA → **Ongoing** Management actions completed and progress tracked via Teamcentral against agreed timescales → **Ongoing** Actions and findings closed following validation of evidence submitted in accordance with agreed timescales

15

Appendix 3: Internal Audit Annual Opinion Definitions

The PSIAS require the provision of an annual Internal Audit opinion, but do not provide any methodology or guidance detailing how the opinion should be defined.

Professional judgement is exercised in determining the appropriate opinion, and it should be noted that in giving an opinion, assurance provided can never be absolute.

The approach set out below to support our assessment of the annual opinion for the City of Edinburgh Council came into effect from 1 April 2019. This involves an assessment against 4 possible opinion types:

1 Effective	2 Some improvement required
The control environment and governance and risk management frameworks have been adequately designed and are operating effectively, providing assurance that risks are being effectively managed and the Council's objectives should be achieved.	*Whilst some control weaknesses were identified, in the design and / or effectiveness of the control environment and / or governance and risk management frameworks, they provide reasonable assurance that risks are being managed, and the Council's objectives should be achieved.*
3 Significant improvement required	**4. Inadequate**
Significant and / or numerous control weaknesses were identified, in the design and / or effectiveness of the control environment and / or governance and risk management frameworks. Consequently, only limited assurance can be provided that risks are being managed and that the Council's objectives should be achieved.	*The design and / or operating effectiveness of the control environment and / or governance and risk management frameworks is inadequate, with a number of significant and systemic control weaknesses identified, resulting in substantial risk of operational failure and the strong likelihood that the Council's objectives will not be achieved.*

Page 261

Appendix 4: Process for approving changes to the Internal Audit annual plan

1. **Process for routine (non-urgent) changes to the annual Internal Audit plan**

   1.1 Changes to the IA plan can be proposed by IA based on the Council's changing risk profile or requested by management.

   1.2 All changes proposed by IA will be clearly documented, with the rationale for the change and the associated risks clearly articulated. All requests from management for routine changes to the IA plan will be provided to the Council's Chief Internal Auditor (CIA), with the rationale for the change and the associated risks clearly articulated.

   1.3 The CIA will consider the request based on the significance of the associated risks and make a proposal to either accept or reject the change.

   1.4 Where there is insufficient capacity to incorporate the requested change, the CIA will also consider which existing audit included in the plan should be replaced (if the change is approved) and reflect this in the proposal.

   1.5 The proposal will be discussed with the Corporate Leadership Team (CLT) and discussed and approved by the Governance, Risk, and Best Value Committee (GRBV), with the final decision to accept or reject the proposed change made by the GRBV.

2. **Process for urgent changes to the annual Internal Audit plan**

   2.1 The process as outlined in section 1.1 to 1.4 above will be applied.

   2.2 The CIA's proposal will then be discussed with the relevant Executive Directors affected by the proposed change; the Chief Executive; and the Convenor and Vice Convenor of the GRBV.

   2.3 The final decision to accept or reject the proposed change will be made by the Chief Executive Officer or relevant Executive Director (in line with the Council's urgent decisions process) in consultation with the Convenor and Vice-Convenor of the GRBV, and the Chief Internal Auditor.

   2.4 Details of the proposal and the final decision will then be reported retrospectively to both the CLT and GRBV.

Governance, Risk and Best Value Committee

10.00am, Tuesday, 23 March 2021

External Audit Plan - 2020/21

Item number	
Executive/routine	Routine
Wards	n/a
Council Commitments	n/a

1. Recommendations

1.1 Members of the Governance, Risk and Best Value Committee are asked to note:

1.1.1 the contents of the External Audit Plan for 2020/21, including follow-up work to be undertaken in respect of the Council's Best Value Assurance Report (BVAR); and

1.1.2 that periodic updates on the work set out therein will be provided to the Committee.

Andrew Kerr

Chief Executive

Stephen S. Moir

Executive Director of Resources

Contact: Hugh Dunn, Head of Finance

E-mail: hugh.dunn@edinburgh.gov.uk | Tel: 0131 469 3150

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

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

Report

External Audit Plan, 2020/21

2.   Executive Summary

2.1   Azets has been appointed as the Council's external auditor for the six-year term[1] covering financial years 2016/17 to 2021/22 inclusive. The external audit plan for review year 2020/21 is presented for the Committee's information and outlines the main proposed areas of scrutiny and associated reporting timescales over the coming year.

3.   Background

3.1   In October 2016, Scott-Moncrieff (now Azets) was appointed as external auditor to the Council and a number of associated bodies for a five-year term covering the period from 2016/17 to 2020/21 inclusive. In view of the impact of the pandemic on the work of both councils and audit bodies, however, in October 2020 this term, in common with other similar appointments across Scotland, was extended by a further year by the Accounts Commission. Following consideration of the 2019/20 Annual Audit Report by the Governance, Risk and Best Value Committee on 3 November 2020, 2020/21 therefore represents the penultimate review year of the revised six-year appointment, with the proposed audit plan included as Appendix 1.

3.2   A timetable of key audit scrutiny and associated outputs (included on pages 47 to 49) has been developed. The proposed plan also includes specific work around payroll data analytics and a follow-up on progress in implementing the recommendations made as part of the review of the Council's risk management arrangements during the 2019/20 audit year. The plan furthermore includes an assessment of progress in implementing the principal recommendations made as part of the Council's Best Value Assurance Review (BVAR).

3.3   Consideration of the annual audit plan by members of the Governance, Risk and Best Value Committee is a key step in discharging their wider scrutiny-related responsibilities. Staff from Azets will therefore attend the Committee meeting to

---

[1] In view of the impact of the pandemic, the five-year term of all current audit engagements has been increased by a further year by the Accounts Commission.

provide an overview of the plan's contents and respond to any queries members may have.

4.   Main report

4.1   The plan comprises sections setting out the respective responsibilities of Azets as independent auditor and the Council as audited body, the proposed audit strategy and more technical commentary on the detailed financial statement audit work to be undertaken, before presenting key areas for consideration as part of the wider scope audit. The plan also includes an overview of the proposed audit process for the Council's charitable trusts where members of the Finance and Resources Committee serve as the Council trustee. At this stage, it is being assumed that, as for the 2019/20 review year, both the accounts closure and audit processes will be undertaken remotely.

4.2   Members will be aware that the wider scope audit reflects a revised approach to auditing Best Value, agreed by the Accounts Commission in June 2016, and will be adopted across the term of the appointment through a combination of on-going annual audit work and discrete packages of work examining specific areas. The key findings of this work will be reported through the annual audit and, following the reporting of the principal conclusions of the BVAR in November 2020, progress in implementing the resulting recommendations.

4.3   Further details of the approach to be adopted in assessing the Council's financial statements are included on pages 19 to 28, with a commentary on the specific areas of focus for the wider scope audit contained on pages 30 to 39.

4.4   The penultimate section of the report provides an indicative timeline of key activities and audit outputs, culminating in the issuing of an opinion on the audited financial statements by 31 October 2021 (aligned to the revised accounts regulations for 2020/21), along with the proposed fee for the Council's external audit.

5.   Next Steps

5.1   The external audit activity will proceed in line with the schedule shown on pages 47 to 49 of the external audit plan.

6.   Financial impact

6.1   The proposed core audit fee is consistent with the level of provision contained within the Council's approved budget for 2021/22.

6.2   The wider scope aspects of the external audit will assess the appropriateness and adequacy of the Council's arrangements in respect of financial management and sustainability, as well as progress in implementing recommendations contained within the BVAR.

7.   Stakeholder/Community Impact

7.1   The Committee's remit includes the review of all matters relating to external audit, including reports and action plans to monitor implementation of external audit recommendations.

7.2   The wider scope aspects of the external audit will assess the appropriateness and adequacy of the Council's arrangements across these areas.

8.   Background reading/external references

8.1   [City of Edinburgh Council – 2019/20 Annual Audit and Report to the Council and Controller of Audit](#), Governance, Risk and Best Value Committee, 3 November 2020

9.   Appendices

9.1   One – City of Edinburgh Council External Audit Plan, 2020/21

City of Edinburgh Council

External Audit Annual Plan

2020/21

March 2021

Table of Contents

Introduction

Introduction

1. This document summarises the work plan for our 2020/21 external audit of the City of Edinburgh Council and the charitable trusts administered by the Council.

2. The core elements of our work include audits of:

   - the 2020/21 annual accounts for both the Council and its group and the charitable trusts;
   - the Council's arrangements for financial sustainability, financial management, governance and transparency and value for money;
   - the Council's arrangements to secure best value;
   - the arrangements for the collection and publication of statutory performance information in accordance with the Accounts Commission direction;
   - a number of grant claims and returns, including Whole of Government Accounts;
   - the Council's participation in the National Fraud Initiative (NFI); and
   - any other work requested by Audit Scotland.

Audit appointment

3. The Accounts Commission is an independent body appointed by Scottish Ministers responsible for securing the audit of local authorities and other local government bodies. The Commission's work is governed mainly by the Local Government (Scotland) Act 1973.

4. Audit Scotland is an independent statutory body that provides the Accounts Commission with the services required to carry out their statutory functions, including monitoring the performance of auditors through a quality control process.

5. The Accounts Commission has appointed Azets as external auditor of the Council for the six year period 2016/17 to 2021/22[1]. This document summarises the audit plan for 2020/21 and includes;

   - the responsibilities of Azets as the external auditor;
   - our audit strategy;
   - our planned audit work and how we will approach it;
   - our proposed audit outputs and timetable; and
   - background to Azets and your audit management team.

Auditor independence

6. International Standards on Auditing in the UK require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

7. We comply with the Financial Reporting Council's (FRC) Ethical Standard. In our professional judgement, the audit process is

---

[1] In October 2020, the Accounts Commission extended our audit appointment for one year through to the audit of the 2021/22 financial year to provide continuity and stability in the current challenging environment.

independent and our objectivity is not been compromised in any way.

8. We set out in Appendix 2 our assessment and confirmation of independence.

Adding value through the audit

9. All of our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the Council through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the Council promote improved standards of governance, better management and decision making and more effective use of resources.

Feedback

10. Any comments you may have on the service we provide, the quality of our work and our reports would be greatly appreciated at any time. Comments can be reported directly to any member of your audit team.

Openness and transparency

11. This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Respective responsibilities of the auditor and the Council

6

Respective responsibilities of the auditor and the Council

Auditor responsibilities

Code of Audit Practice

12. The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Accounts Commission and it is a condition of our appointment that we follow it.

Our responsibilities

13. Auditor responsibilities are derived from statute, the Code of Audit Practice, International Standards on Auditing (UK), professional requirements and best practice. These are to:

    - undertake statutory duties, and comply with professional engagement and ethical standards;
    - provide an opinion on the financial statements;
    - review and report on, as appropriate, other information such as annual governance statements, management commentaries and remuneration reports;
    - notify the Controller of Audit when circumstances indicate that a statutory report may be required; and
    - demonstrate compliance with the wider scope of public audit.

Wider scope audit work

14. The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector.

This means providing assurance, not only on the financial statements, but on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability.

15. The Code of Audit Practice sets out four audit dimensions that frame the wider scope audit work into identifiable audit areas. These are summarised in Exhibit 1.

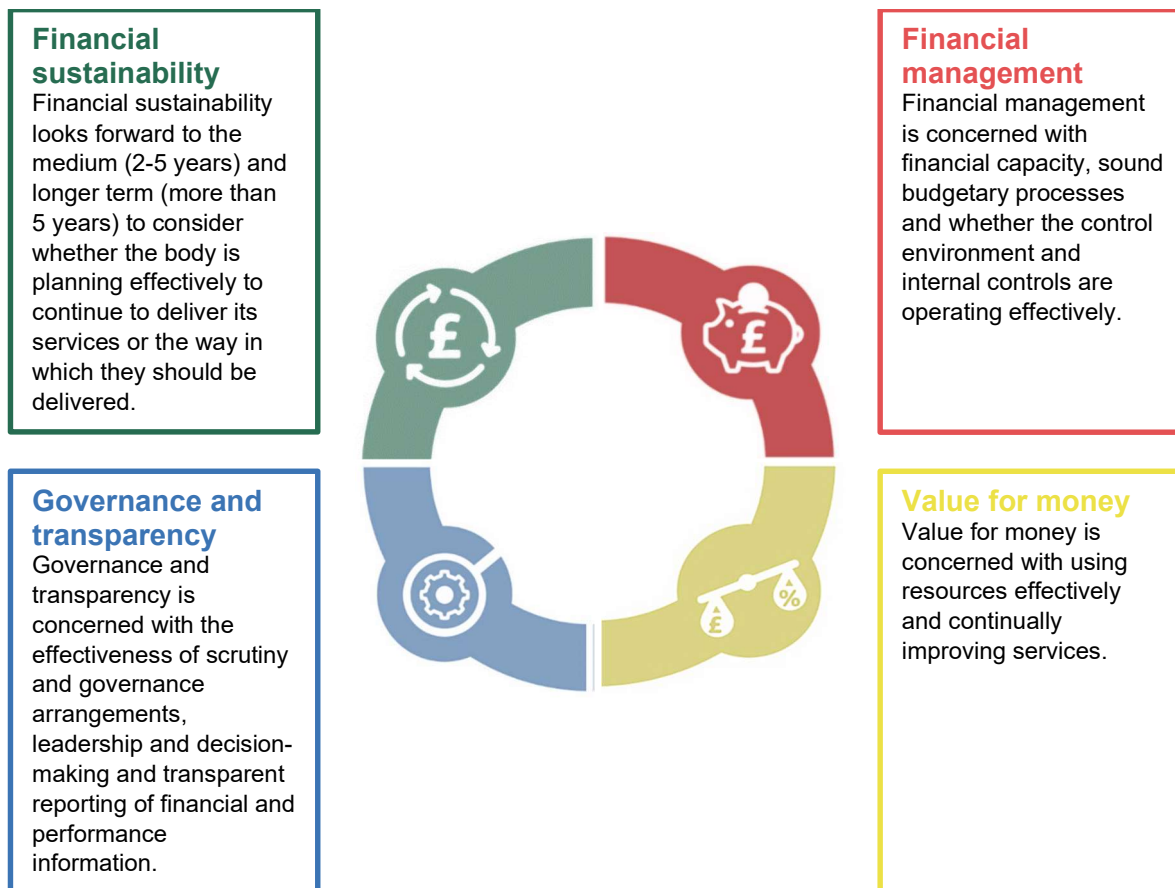# Exhibit 1: Audit dimensions within the Code of Audit Practice

Financial sustainability
Financial sustainability looks forward to the medium (2-5 years) and longer term (more than 5 years) to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Financial management
Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Governance and transparency
Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

Value for money
Value for money is concerned with using resources effectively and continually improving services.

16. We have concluded that application of the full wider scope is appropriate at the Council.

17. Weaknesses or risks identified by auditors are only those which have come to their attention during their normal audit work in accordance with the Code of Audit Practice and may not be all that exist. Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Best Value

18. Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.

19. A Best Value review was undertaken on the City of Edinburgh Council in 2020. The Best Value Assurance Report (BVAR) includes recommendations to help the Council address the improvement areas identified during the audit. In 2020/21 we will follow up on the progress made by the Council in implementing the recommendations made in the BVAR.

Statutory performance information

20. The Accounts Commission has a statutory responsibility to define the performance information that councils must publish. This responsibility links with the Commission's Best Value audit responsibilities. In turn, councils have their own responsibilities, under their Best Value duty, to report performance to the public. The Accounts Commission issued a revised 2018 Statutory Performance Information Direction in December 2018 which requires a council to report its:

- Performance in improving local public services provided by the council (on its own and with its partners and communities), and progress against agreed desired outcomes
- Own assessment and independent audit assessments of how it is performing against its duty of Best Value, and how it plans to improve these assessments
- How it (with its partners where appropriate) has engaged with and responded to its diverse communities.

21. As external auditors we are required to satisfy ourselves that the Council has made effective and appropriate arrangements for ensuring compliance with the Commission's direction on statutory performance indicators.

Council responsibilities

22. The Council has primary responsibility for ensuring the proper financial stewardship of public funds, complying with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives. The Council's responsibilities are summarised in Exhibit 2.

Exhibit 2: Council responsibilities

Area	Council responsibilities
Financial statements: Annual accounts containing financial statements and other related reports should be prepared.	The Council has responsibility for: • preparing financial statements which give a true and fair view of its financial position and its expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation; • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support its financial statements and related reports disclosures; • maintaining proper accounting records; and

Area	Council responsibilities
	• preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that is consistent with the disclosures made in the financial statements.
Financial sustainability: Financial sustainability looks forward to the medium and longer term to consider whether the organisation is planning effectively to continue to fulfil its functions in an affordable and sustainable manner.	The Council is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to: • Such financial monitoring and reporting arrangements as may be specified; • Compliance with statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • Plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.
Financial management: Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.	The Council is responsible for ensuring that financial affairs are conducted in a proper manner. Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the entity and its financial performance. The Council is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal. The Council is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct.

Area	Council responsibilities
Governance and transparency: Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.	The Council is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.
Value for money: Value for money is concerned with the appropriate use of resources and ensuring continual improvement of services delivered.	The Council has a specific responsibility to ensure that arrangements have been made to secure best value. They are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.
Best Value: Best value is continuous improvement in the performance of the authority's functions.	The Council has a statutory duty, under the Local Government (Scotland) Act 1973 and associated statutory guidance, to make arrangements to secure best value through the continuous improvement in the performance of its functions. In securing best value, local authorities must maintain a balance of quality and cost considerations and have regard, among other things, to economy, efficiency and effectiveness (or 'value for money') and the need to meet equal opportunity requirements and contribute to the achievement of sustainable development. The Council also has to prepare and publish performance information in accordance with directions issued by the Accounts Commission.

Audit strategy

12

AZETS

Audit strategy

Risk-based audit approach

23. We follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the Council. This ensures that our audit focuses on the areas of highest risk. Our audit planning is based on:

Discussions with senior officers	**Our understanding of the sector, its key priorities and risks**	**Attendance & observing the Governance, Risk and Best Value Committee**
Guidance from Audit Scotland	**Discussions with Audit Scotland and public sector auditors**	**Discussions with internal audit and reviews of their plans and reports**
Review of the Council's corporate strategies and plans	**Review of the Council's corporate risk register**	**Consideration of the work of other inspection bodies**
Consideration of any relevant self-evaluation activity by the Council	**Participation in the Local Area Network (LAN) / Shared Risk Assessment process**	**Outcomes of prior year audits**

24. Planning is a continuous process and our audit plans are therefore updated during the course of our audit to take account of developments as they arise.

Communication with those charged with governance

25. Auditing standards require us to make certain communications throughout the audit to those charged with governance. We have agreed with the Council that these communications will be through the Governance, Risk and Best Value Committee (GRBV Committee).

Professional standards and guidance

26. We perform our audit of the financial statements in accordance with International Standards on Auditing (UK (ISAs (UK)), the International Standard on Quality Control 1 (UK), Ethical Standards, and applicable Practice Notes and other guidance issued by the Financial Reporting Council (FRC).

Partnership working

27. We coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working with the public sector.

Shared risk assessment and joint scrutiny planning

28. A local area network (LAN) has been established for each council in Scotland. The LAN brings together local scrutiny representatives, including external audit, to share information and intelligence on an ongoing basis and agree scrutiny risks (referred to as the shared risk assessment (SRA)).

29. The LAN meets on an annual basis to discuss the planned scrutiny with the Council for the coming year. Meetings are also held with the Council to discuss the planned scrutiny for the year.

Audit Scotland

30. Although we are independent of Audit Scotland and are responsible for forming our own views and opinion, we do work closely with Audit Scotland throughout the audit. This helps, for example, to identify common priorities and risks, treat consistently any issues arising that impact on a number of audited bodies, and further develop an efficient and effective approach to public audit. We share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.

31. Audit Scotland undertakes national performance audits on issues affecting the public sector. We review the Council's arrangements for taking action on any issues reported in the national performance reports which may have a local impact. We also consider the extent to which the Council uses the national performance reports as a means to help improve performance at the local level.

Correspondence

32. People or organisations write to Audit Scotland because they have concerns about an issue within a public body that falls under the remit of the Auditor General for Scotland or the Accounts Commission. An issue of concern may be something such as a breakdown in financial management or governance arrangements.

33. The key factor in determining whether Audit Scotland examines an issue is the relevance of the issue to Audit Scotland's role and functions. Audit Scotland and appointed auditors will make this judgement using their professional and technical knowledge. They will also take into consideration the costs of carrying out such work to

Internal Audit

34. We will consider the findings of the work of internal audit within our audit process and look to minimise duplication of effort, to ensure the total audit resource to the Council is used efficiently and effectively.

Co-ordinated and integrated approach to audit

35. The Code of Audit Practice notes the following:

> *"Coordinated and integrated - It is important that auditors coordinate their work with internal audit, Audit Scotland, other external auditors and relevant scrutiny bodies to recognise the increasing integration of service delivery and partnership working within the public sector. This would help secure value for money by removing unnecessary duplication and also provide a clear programme of scrutiny activity for audited bodies. It should be noted that audits undertaken in compliance with ISAs (UK) do not allow direct assistance from internal audit"*

36. Over the course of our audit appointment we will work with internal audit to provide a co-ordinated and integrated audit resource.

37. In 2020/21 we intend to supplement the work of internal audit by reviewing the following areas:

- Payroll: Specialists from within our Business Technology Consulting team will support internal audit in carrying out detailed data analytics of Payroll system data. The aim of this exercise is to identify unusual payments made to employees and unusual records within the payroll Masterfile.
- Risk management – a follow up of the recommendations raised in 2019/20 on the Council's risk management arrangements. Given internal audit's involvement in the risk management process, we deliver the work to ensure independent assurance is obtained over the arrangements in place.

38. Whilst we are working with internal audit, we do not obtain direct assistance from them.

COVID-19 – impact on our 2020/21 audit strategy

39. The COVID-19 pandemic has had, and continues to have, a significant and profound effect on every aspect of Scottish society.

40. We appreciate that different organisations have been impacted differently by COVID-19, as have finance teams, and some organisations are better set up for remote working. We also know that plans can change quickly and it only takes the absence of one key member of staff from a finance team to have a big impact. Equally our own teams may also be impacted by the pandemic. The wellbeing of our clients and our staff is paramount. Maintaining a pragmatic and flexible approach will enable change at short notice as new issues emerge, or current risks change in significance.

Remote working

41. As we do not know when the current restrictions will end, we are planning to carry out our 2020/21 audit remotely. As in 2019/20 we have the following arrangements in place:

   - All of our people have the equipment, technology and systems to allow them to work remotely, including secure access to all necessary data and information.
   - All of our staff are fully contactable by email, phone call and video-conferencing.
   - All meetings are now held over Skype, Microsoft Teams or by telephone.
   - We are keeping all of our staff fully up to date with the latest government guidance in order to keep everyone as safe as possible.

42. If resourcing levels in any part of our business are compromised due to illness or inability to work, we will refocus our teams as necessary to deliver to deadlines. Our teams are holding regular catch ups to allow us to re-prioritise workloads as necessary.

Secure sharing of information

43. We use a cloud-based file sharing service that enables users to easily and securely exchange documents.

Audit evidence

44. Working remotely does unfortunately result in the audit team requesting audit evidence which we would have previously obtained through other means, for example, face to face meetings or access to systems and client premises.

45. Where required we will consider other ways in which we can obtain audit evidence or carry out alternative audit procedures.

46. We will employ greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.

Regular contact

47. During the 'fieldwork' phase of our audit, we will look to agree regular catch-ups with key personnel to discuss the progress of the audit. The frequency of these meetings will be discussed and agreed with management.

Audit reporting

48. It may be that the current circumstances lead to more modified opinions in auditor's reports than would typically have been the case in previous years.

49. Where necessary, we will engage with the GRBV Committee to explain the implications of our proposed report and consider whether there are other procedures that could be undertaken, at a future point yet to be determined, which could mitigate any modification either fully or in part.

50. Sufficient time should be set aside by the GRBV Committee to allow for comprehensive, complete and informed communication with the auditor. This will need to take account of the potential for extended communication to explain any modified audit reports, or to report any higher than expected deficiencies or misstatements, that may result from the current circumstances.

51. Audit Scotland uses a system for electronic signatures (DocuSign) that it recommends all bodies use for signing annual accounts.

52. Electronic signatures simplify the process of signing the accounts. Accounts can be signed using any device from any location. There is no longer a need for duplicate copies to be signed, thus reducing the risk of missing a signature and all signatories have immediate access to a high quality PDF version of the accounts.

53. We propose using DocuSign in 2020/21 (as was used in 2019/20).

Annual accounts – City of Edinburgh Council

18

Annual accounts

54. Audited bodies' annual accounts are an essential part of accounting for their stewardship of the resources made available to them and their financial performance in the use of those resources. This section sets out our approach to the audit of the Council and its group annual accounts.

Approach to audit of the annual accounts

55. Our opinion on the annual accounts will be based on:

Risk-based audit planning

56. We focus our work on the areas of highest risk. As part of our planning process we prepare a risk assessment highlighting the audit risks relating to each of the key systems on which the annual accounts will be based.

Accounting systems and internal controls

57. We evaluate the key accounting systems and internal controls and determine whether they are adequate to prevent material misstatements in the annual accounts.

58. The systems we review and the nature of the work we perform will be based on the initial risk assessment. We will examine and test compliance with best practice and the Council's own policies and procedures.

59. We will take cognisance of any relevant internal audit reviews of systems and controls.

60. Since the start of the pandemic, the risk of fraud and error has increased as the control environment and internal controls change. Potential areas of risk include:

- Public sector staff working under extreme pressure leading to some internal controls being suspended or relaxed;

- Procurement fraud or, normal controls being relaxed to allow bodies to buy goods or services which are required urgently, possibly from new suppliers;

- Weakened governance arrangements;

- Stimulus packages to support individuals and businesses being provided quickly, possibly with a lower level of scrutiny and due diligence than has previously been in place;

- Admin and finance staff being redeployed to operational areas; and

- Staff working remotely may pose potential security risks e.g. when using personal devices and/or using removable devices to download data.

61. We will update the risk assessment following our evaluation of systems and controls, considering the impact the pandemic has had on the Council's accounting systems and controls. This will ensure that we continue to focus attention on the areas of highest risk.

62. This work is not for the purpose of expressing an opinion on the effectiveness of internal controls. We will report to the Council significant

deficiencies in internal controls that we identify during the audit. These matters will be limited to those which we conclude are of sufficient importance to merit being reported. The scope of our work is not designed to be an extensive review of all internal controls.

Prevention and detection of fraud or error

63. We plan our audit in such a way as to obtain reasonable assurance of detecting material misstatements in the annual accounts resulting from fraud or error.

64. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

65. We will assess the susceptibility of the Council's annual accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they consider there is susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

66. Our work as auditor is not intended to identify any instances of fraud of a

non-material nature and should not be relied upon for this purpose. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Laws and regulations

67. We plan and perform our audit recognising that non-compliance with statute or regulations may materially impact the annual accounts. Our audit procedures include the following:

- Identification of the laws and regulations applicable to the Council through enquiries with management, and from our knowledge and experience of the organisation and sector;

- A focus on specific laws and regulations which we consider may have a direct material effect on the annual accounts or the operations of the Council;

- Reviewing minutes of relevant meetings;

- Enquiring of management and Council legal representatives the position in relation to litigation, claims and assessments; and

- Performing detailed testing of transactions and balances.

68. There are however inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

A final audit of the annual accounts

69. During our final audit we will test and review the material amounts and

disclosures in the annual accounts. The extent of testing will be based on our risk assessment.

70. Our final audit will seek to provide reasonable assurance that the annual accounts are free from material misstatement and comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the CIPFA Code).

Independent auditor's report

71. Our opinion on whether the financial statements give a true and fair view of the financial position and income and expenditure will be set out in our independent auditor's report which will be included in the annual accounts.

72. We also provide an opinion on the audited part of the remuneration

report, annual governance statement and management commentary.

Group audit

73. The Council has a complex group which requires consolidation of a range of subsidiaries, associates and joint ventures.

74. As group auditors under ISA (UK) 600 we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework. The following table sets out the components within the group:

Component	Significant	Level of response required	Planned audit approach
City of Edinburgh Council	Yes	Comprehensive	Full scope statutory audit
Transport for Edinburgh	Yes	Comprehensive	Full scope statutory audit by component auditors
Edinburgh Living MMR LLP	Yes	Comprehensive	Full scope statutory audit by component auditors
CEC Holdings Limited	No	Analytical	Desktop review
Edinburgh Leisure	No	Analytical	Desktop review
Capital Theatres	No	Analytical	Desktop review
Lothian Valuation Joint Board	No	Analytical	Desktop review
Common Good	No	Analytical	Desktop review
Edinburgh Integration Joint Board	No	Analytical	Desktop review

Comprehensive - the component is of such significance to the group as a whole that an audit of the component's financial statements is required for group reporting purposes
Analytical - the component is not significant to the Group and audit risks can be addressed sufficiently by applying analytical procedures at the Group level

75. To support our audit work on the Council's group accounts, we seek to place reliance on the work of the component auditors for those bodies we have deemed significant to the group. As Azets is the appointed auditor to these bodies, we will liaise with the audit engagement teams in order to confirm that their programme of work is adequate for our purposes.

76. We will report the following matters in our annual report on the audit:

   • Deficiencies in the system of internal control or instances of fraud which the component auditors identify; and

   • Limitations on the group audit, for example, where our access to information may have been restricted.

Materiality

77. Materiality is an expression of the relative significance of a matter in the context of the annual accounts as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement. We review our assessment of materiality throughout our audit.

78. Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or group of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of

testing on the areas deemed to be at significant risk of material misstatement.

79. Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.

80. Our initial assessment of materiality and performance materiality is set out in the following table:

	Group £million	Council £million	Explanation
Overall materiality for the financial statements	22.3	20.3	Our initial assessment is based on approximately 1% of the group and the Council's 2019/20 gross expenditure as disclosed in the 2019/20 audited annual accounts. We consider this to be the principal consideration for the users of the annual accounts when assessing financial performance of the Council and its group.
Performance materiality	16.725	15.225	Using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.
Trivial threshold	0.250	0.250	We will report any misstatements identified through our audit that fall into one of the following categories: • All material corrected misstatements; • Uncorrected misstatement with a value in excess of £250,000; and • Other misstatements below £250,000 that we believe warrant reporting on qualitative grounds.

Key audit risks in the annual accounts

81. Auditing standards require that we inform the GRBV Committee of our assessment of the risk of material misstatement in the financial statements. We have set out our initial assessment below, including how the scope of our audit responds to those risks. We will provide an update to the GRBV Committee if our assessment changes significantly during the audit.

23

Exhibit 3 – Key audit risks in the annual accounts

Management override

In any organisation, there exists a risk that management have the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the financial statements. This is treated as a presumed risk area in accordance with ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements.*

82.   In response to this risk we will review the Council's accounting records and obtain evidence to ensure that any significant transactions outside the normal course of business are valid and accounted for correctly. We will adopt data analytics techniques to review and test aspects of this significant risk. We will assess whether judgements and assumptions made in determining accounting estimates as set out in the financial statements are indicative of potential bias.

Revenue recognition

Under ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements* there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the Council could adopt accounting policies or recognise income and expenditure transactions in such a way as to lead to a material misstatement in the reported financial position.

83.   In respect of council tax income, non-domestic rates, housing rents and non-ring fenced government grants, we do not consider the revenue recognition risk to be significant due to a lack of incentive and opportunity to manipulate these revenue streams. However, the risk of fraud in relation to revenue recognition is present in all other revenue streams. We will evaluate each material revenue stream, including the controls over revenue accounting. We will conduct substantive testing on all material revenue streams to confirm revenue has been recognised appropriately and in line with accounting policies.

24

Risk of fraud in the recognition of expenditure

As most public sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.

84. In response to this risk we will evaluate the significant non-pay expenditure streams and review the controls in place over accounting for expenditure. (Payroll is subject to separate tailored testing). We will consider the Council's key areas of expenditure and obtain evidence that the expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year. We will review accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.

Asset valuations (significant accounting estimate)

The Council carries out a rolling programme of revaluations that ensures all property, plant and equipment required to be measured at fair value is revalued at least every five years.

The valuation provided by the valuer as at 31 March 2020 recognised a material uncertainty, indicating that lower confidence could be attached to the valuation than otherwise would be the case given the unprecedent impact of COVID-19 on global markets. We included an emphasis of matter paragraph in our independent auditor's report on the 2019/20 annual accounts to draw attention to this.

There is a risk of material misstatement to the financial statements relating to asset valuations.

85. We will consider the competence, capability and objectivity of the valuer in line with ISA (UK) 500 Audit Evidence. We will review the valuation report and consider the assumptions used by the valuer against external sources of evidence. In addition we will consider the scope of the valuer's work and the information provided to the valuer for completeness. We will ensure that all key assumptions and estimates over the valuation of property, plant and equipment are

formally reviewed on an annual basis to ensure these remain appropriate.

86. We will challenge management's formal assessment of impairment to ensure assets are not materially misstated in the annual accounts.

Pension assumptions (significant accounting estimate)

An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under IAS 19 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership date held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities. There is a risk that the assumptions used are not appropriate.

87. We will review the controls in place to ensure that the data provided from the pension fund to the actuary is complete and accurate. We will review the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data. We will agree the disclosures in the financial statements to information provided by the actuary.

Provisions for doubtful debts (significant accounting estimate)

The Council in its annual accounts provides for doubtful debts over sundry debtors and housing rent arrears.

There is a significant degree of subjectivity in the measurement and valuation of provisions for doubtful debts. This subjectivity represents an increased risk of misstatement in the financial statements.

88. We will focus our audit testing on provisions for doubtful debts where values and balances are derived by valuation and estimation.

Financial instruments (significant accounting estimate)

The Council maintains significant debt and investment portfolios. Financial assets classified as loans and receivables and all financial liabilities are carried in the balance sheet at amortised cost. The fair value of these is estimated by calculating the net present value of the remaining contractual cash flows using a number of methods and assumptions.

89. We will focus our audit testing on material financial instruments which are calculated using estimation techniques and assumptions. Where management use experts to support the calculations, we will evaluate the competence of the expert; including the objectivity and experience of the expert.

Other risk factors

Impact of COVID-19 on the annual accounts

90. Further to the identification of significant audit risks, we also continue to monitor the impact COVID-19 could have on the annual accounts. COVID-19 continues to present unprecedented challenges to the operation, financial management and governance of organisations, including public sector bodies. It is uncertain how long these challenges will persist.

91. We continue to monitor government and relevant announcements as they pertain to the audit and will adapt our audit approach as required.

Accounting estimates

92. Changes to ISA (UK) 540 - Auditing Accounting Estimates and Related Disclosures which is applicable for accounting periods beginning on or after 15 December 2019 places increased regulatory requirements on the auditor in respect of the auditing of significant estimates at the planning and completion stages of the audit.

93. As part of the planning stages of the audit we identified all accounting estimates made by management and determined which of those are key to the overall financial statements. Consideration was given to asset valuations, pension liabilities, impairment, depreciation and amortisation rates, provisions for legal obligations and doubtful debts, financial instruments and accruals. Other than asset valuations, pension liabilities, provisions for doubtful debts and financial instruments, we have not determined the accounting estimates to be significant. We will however revisit our assessment during the fieldwork and completion stages of our audit.

Significant trading operations (STO)

94. Local authorities have a duty under section 10 of the Local Government in Scotland Act 2003 to operate their

significant trading operations so that income is not less than expenditure over each three year period.

95. The Council's Edinburgh Catering Services – Other Catering trading operation has previously failed to breakeven over a three year period.

96. The Council has recently reviewed the trading operation to determine whether this should continue to be classified as a significant trading operation. As a result of the pandemic and the move to home working, the trading operation has been unable to trade during 2020/21. The intention is to remove its classification as a STO with effect from 1 April 2020.

97. As part of our audit we will review the basis of the decision to declassify the Edinburgh Catering Services – Other Catering as an STO and ensure the appropriate disclosures are made within the annual accounts.

Change in accounting policy – capitalisation of interest costs

98. During the year, the Finance and Resources Committee approved a change to accounting policy to allow interest to be capitalised under specific circumstances for expenditure on qualifying assets.

99. Interest costs are due to be retrospectively capitalised in 2019/20 for the Trams to Newhaven project, with the changes reflected in the 2020/21 Annual Accounts.

100. We will review the accounting treatment and disclosures in the annual accounts to ensure they comply with the relevant accounting standards.

Wider scope audit

AZETS

Wider scope audit

Introduction

101. As described in section 2, the Code of Audit Practice frames a significant part of our wider scope responsibilities in terms of four audit dimensions:

   • financial sustainability

   • financial management

   • governance and transparency

   • value for money.

102. Our planned audit work against these four areas is risk based and proportionate. Our initial assessment builds upon the understanding of the Council's key priorities and risks which we developed from previous years, along with discussions with management and review of committee minutes and key strategy documents.

103. The risk profile of public bodies for the 2020/21 audits is significantly affected by the COVID-19 pandemic. The pandemic has highlighted the importance of many long-standing issues facing public sector bodies such as the need for good governance, openness and transparency, and effective longer-term planning to deliver better outcomes. The risks and challenges associated with these issues have become greater due to the pandemic.

104. In 2020/21, Audit Scotland has requested that external auditors focus on risks relating to governance and transparency, financial sustainability and counter-fraud arrangements in light of the impact of COVID-19. We will consider these risk areas in the context of our wider scope audit work and include commentary in our annual audit report as appropriate.

105. A Best Value review was undertaken on the City of Edinburgh Council in 2020. The Best Value Assurance Report (BVAR) includes recommendations to help the Council address the improvement areas identified during the audit. In 2020/21 we will follow up on the progress made by the Council in implementing the recommendations made in the BVAR.

106. At this stage of our audit planning process, we have identified one significant risk to the wider scope of our audit (Exhibit 4). We have not, at this stage, identified any significant risks in relation to the other dimensions. Audit planning however is a continuous process and we will report any identified significant risks, as they relate to the four dimensions, in our annual audit report. Exhibit 5 summarises our audit work in respect of each dimension.

Exhibit 4 – Wider scope significant risk

Financial sustainability

The Council's Business Plan and budget for 2021/22 were approved by Council in February 2021, subject to approval of the Scottish Government's budget and UK budget announcements in March 2021. The Council approved a balanced budget for 2021/22, a five-year revenue forecast projection and a 10 year capital budget strategy. Council tax was frozen for 2021/22.

In October 2020 a review was undertaken of the Council's underlying planning assumptions and previously approved savings for both 2021/22 and 2022/23 to determine where corresponding adjustments may be required. The results of this review were considered by the Finance and Resources Committee on 29 October and pointed to a need to identify further savings of at least £16.1million in 2021/22, with an additional £5.6million of savings also required in 2022/23. The paper presented to Council in February 2021 noted that savings of £18.661million would be required in 2021/22 and c. £95million over the four years commencing 2022/23 prior to consideration of new savings and financial flexibilities.

The approved budget assumes that the Council will utilise financial flexibility whereby the payment of the principal element of the planned loans fund repayment in 2021/22 will be deferred until 2022/23. This enabled the Council to approve a balanced budget for 2021/22; reducing the savings gap by £18million. The application of the financial flexibilities does however impact on subsequent years. The revised forecast position over the four years commencing 2022/23 is c.£112.7million. Update reports on the financial position are regularly reported to Committee.

Provision for the anticipated recurring financial impacts of the pandemic total £23million in 2021/22, reducing to £21million in 2022/23 and continuing at that level thereafter. The Council has noted however there is a risk that the net pressure on the budget, after taking account of any additional COVID-related funding included within the Local Government Finance Settlement, is higher than that assumed. On that basis, the Council, in addition to optimising the level of financial flexibilities available to spread the pandemic expenditure and income impacts over a longer period, reprioritised its earmarked reserves to create a specific COVID mitigation reserve.

In response to the BVAR, the Council has reviewed its reserves policy. The Council's reserves as of 31 March 2021 are expected to comprise four main elements:

- an increased unallocated General Fund balance of £25million, equating to around 2.3% of the Council's net expenditure and being more in line with other authorities in Scotland;

- a series of ringfenced reserves maintained for statutory or specific policy reasons or to reflect timing differences between the receipt of income and its subsequent application;

Financial sustainability

- a workforce transformation reserve; and

- a COVID contingency reserve, acknowledging the continuing uncertainty of the recurring impacts of the pandemic on, in particular, income levels in key areas such as parking, commercial rentals and other fees and charges.

107. During our audit we will continue to review whether the Council has appropriate arrangements in place to manage its financial position. Our work will include an assessment of progress made in developing financially sustainable plans which reflect the medium and longer term impact of COVID-19 and that continue to support the delivery of the Council's statutory functions and strategic objectives.

AZETS

Exhibit 5 - Our audit approach to the wider scope audit dimensions

Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the organisation's planning processes support the future delivery of services.

Consideration	Our audit approach
As noted in Exhibit 4. Financial sustainability remains a challenge and it is recognised that work is required to continue to develop the medium term financial plans to more accurately reflect the emerging position taking cognisance of the impact of COVID-19. To address the concerns noted in the Council's Best Value Assurance Report on the setting, implementation and delivery of the revenue budget, further enhancements were introduced to the budget setting process for 2021/22. These include: • Updated guidance on savings implementation plans • Earlier discussion and agreement at Corporate Leadership Team level of the impact of underlying service pressures and savings shortfalls • Development of a indicative five year planning timeframe • Detailed review of non-service budgets reserves, financial flexibilities and project management to aid savings delivery Due to the ongoing impact of the pandemic on the Council and its ALEOs and the associated uncertainty and risk that longer term budgets are based on incomplete information or flawed assumptions, the Council took the decision to focus	During our 2020/2021 audit we will update our assessment of the Council's financial standing. This will involve a review of the arrangements in place for developing short, medium and long term financially sustainable plans that continue to support the delivery of the Council's statutory functions and strategic objectives. Our work will consider the impact COVID-19 is having on the Council's financial plans, the impact of EU withdrawal on the Council and the impact on the 2021/22 financial plans following the Scottish Government and UK budget announcements.

33

Consideration	Our audit approach
efforts on setting a balanced budget for the year ahead. The budget for 2021/22 is underpinned by shorter-term tactical measures whilst preparing for broader reforms and major changes to services from 2022 onwards. This review will also include the Council's ALEOs.	

AZETS

Financial management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Consideration	Our audit approach
Following confirmation of the Council's provisional funding allocation through the income compensation scheme, a balanced overall position is now forecast in 2020/21 without any need to draw down from earmarked reserves. As at month 8; the Council estimated additional net expenditure pressures of £84.5million. For the period from June until January inclusive, furlough claims to HMRC totalling £0.764million have been submitted in respect of staff working in the Council's outdoor centres and Culture employees. The full-year income projection from this source is £1million. During 2020/21, internal audit revised its annual plan to incorporate reviews to provide the Council with assurance on the design of new and amended processes implemented in response to the COVID-19 pandemic. 11 audits will be completed in 2020/21. Internal audit has also provided consultancy advice on the design of the Support for Business Grants processes implemented in response to COVID-19. The National Fraud Initiative (NFI) is a counter fraud exercise co-ordinated by Audit Scotland working together with a range of Scottish public bodies, external auditors and overseen by the Cabinet Office for the UK as a whole to identify fraud and error. The most recent NFI exercise commenced in 2020 and as part of our 2020/21 audit we will monitor the Council's participation and progress in the NFI.	During our 2020/21 audit we will review, conclude and report on the following: • The achievement of financial targets; • Whether the Council can demonstrate the effectiveness of its budgetary control system in communicating accurate and timely performance information; • Whether the Council has arrangements in place to ensure systems of internal control are operating effectively; • Whether the Council has established appropriate and effective arrangements for the prevention and detection of fraud and corruption, with particular focus on changes in the control environment during the pandemic; and • Participation and progress in the National Fraud Initiative.
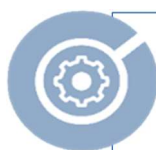
35

AZETS

Governance and transparency

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

Consideration	Our audit approach
The Council modified its political management arrangements in August 2019 to further improve its decision-making effectiveness. In March 2020 and May 2020 in response to the COVID-19 pandemic, emergency arrangements were put in place to deal with the significant issues facing the Council. In our view the Council responded promptly and effectively in its political management arrangements to the COVID-19 crisis. In response to a recommendation within our 2018/19 Annual Report on the Audit, the Council agreed by January 2020 to review its existing protocols with elected members and senior management to ascertain where improvements were required. The Council is currently reviewing this protocol although COVID-19 has delayed the completion of this. The Council is continuing to progress an independent inquiry into (a) matters connected to the death of a Council employee and (b) its whistleblowing and organisational culture.	We will review and report on the Council's governance arrangements; considering any changes to those arrangements in response to the pandemic. In particular we will consider whether: • the revised governance arrangements are appropriate and operating effectively • there is effective scrutiny, challenge and informed decision making. We will consider the Council's risk management arrangements in the context of the pandemic. We will review: • Arrangements and reporting of the identification, likelihood and impact of new risks as a result of the pandemic; • Consideration of risk appetite during this period to enable services to operate effectively and respond to issues in a timely manner. • The longer term impact of the pandemic on the Council's risk register.

Value for money

Value for money is concerned with the appropriate use of resources and ensuring continual improvement of services delivered.

Consideration	Our audit approach
The Council's three year Business Plan: Our Future Council, Our Future City brings together its strategic priorities into a single plan responding to the need for change.	The COVID-19 pandemic is expected to have had a substantial impact on performance measures, particularly for services which have been temporarily suspended, are operating at a reduced level or have had to adapt to new ways of working.
The Council in 2019/20 demonstrated improvements in performance in several areas including waste and cleaning, school education and processing times for benefits and grant claims. The 2018/19 Local Government Benchmarking Framework information showed that the Council performed better than other councils in around half of national benchmarking indicators.	We will review performance reporting in 2020/21 to ensure it is timely, reliable, balanced, transparent and appropriate to user needs.
The year-on-year council tax collection rate as of the end of December 2020 was some 1.24% lower than in 2019/20, although collection rates in the city are seeing much smaller reductions than in many other Scottish authorities. Through a combination of planned recovery action and anticipated income in respect of 2020/21 to be received in subsequent years, the level of potential bad debt provision has been revised, although the adequacy of this revised sum will be kept under review.	We will analyse the Council's performance with respect of the Local Government Benchmarking Framework and assess the Council's compliance with the Accounts Commission's direction on public performance reporting.
Collection of non-domestic rate income is down c.14%. While this is a Scottish Government issue (as the Council is acting as an Agent) there is concern this will impact on the "NDR funding" the Council receives.	Our review of performance will include consideration of how effectively the Council has identified improvement priorities, and how self-aware the Council is in understanding its relative performance and improvement needs.
Reporting against the new Statutory Performance Indicators Direction requires improvement. In particular the Council needs to address the new	Audit Scotland carries out a national performance audit programme on behalf of the Auditor General for Scotland and

Consideration	Our audit approach
requirements of reporting progress against its duty of Best Value.	the Accounts Commission. We will work with Audit Scotland during the year to understand the outputs from this work and identify any particular reports that the Council may have a direct interest in.

38

AZETS

Annual accounts – Charitable trusts administered by the City of Edinburgh Council

Annual accounts

Introduction

108. The Charities Accounts (Scotland) Regulations 2006 outline the accounting and auditing requirements for charitable bodies. The Regulations require an auditor to prepare a report to the charity trustees where an audit is required by any other enactment.

109. The Council's charitable funds are covered by the requirements of section 106 of the Local Government (Scotland) Act 1973 and consequently require a full audit. Each registered charitable trust has required a full audit since 2013/14.

110. Over the last few years, the Council has rationalised the number of charitable trusts down from over a hundred to six as at 31 March 2020. In 2011/12, 28 charities were consolidated into one new charity, the Edinburgh Education Trust.

Charitable Trust Funds (as at 31 March 2020)

- Jean F. Watson (SC018971)

- Edinburgh Education Trust (SC042754)

- Nelson Halls Trust (SC018946)

- City of Edinburgh Council Charitable Funds (Boyd Anderson) (SC025067)

- Lauriston Castle Trust (SC020737)

- The Royal Scots (The Royal Regiment) Monument Trust Fund (SC018945)

Key audit risks in the financial statements

111. We have identified the following specific significant audit risk areas to be considered during our audit this year:

Exhibit 6 – Key audit risks in the financial statements

Management override
In any organisation, there exists a risk that management have the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the financial statements. This is treated as a presumed risk area in accordance with ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements.*

112. In response to this risk we will review the Trusts' accounting records and obtain evidence to ensure that any significant transactions

outside the normal course of business are valid and accounted for correctly. We will assess whether judgements and assumptions made in determining accounting estimates as set out in the financial statements are indicative of potential bias.

Revenue recognition

Under ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements* there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the Trusts could adopt accounting policies or recognise income and expenditure transactions in such a way as to lead to a material misstatement in the reported financial position.

113. We will evaluate each material revenue stream, including the controls over revenue accounting. We will conduct substantive testing on all material revenue streams to confirm revenue has been recognised appropriately and in line with accounting policies.

Lauriston Castle Trust collection external valuation

An external revaluation of the collection commenced in 2016 but, for the financial statements for the year ended 31 March 2020, had yet to be completed. The 2019/20 financial statements reflected the valuation of the collection as at the previous reporting date. The charitable trusts' accounting policy on heritable property states that such properties are included in the financial statements at a revalued amount where this is available. The notes to the financial statements detail that the previous valuation of the Lauriston Castle collection was carried out in 1997.

The valuation exercise has now been concluded. There is a risk that the results of this valuation are incorrectly accounted for in the 2020/21 financial statements.

114. In response to this risk we will review the outcome of the valuation exercise and ensure the results have been correctly accounted for in the 2020/21 financial statements.

115. We will consider the competence, capability and objectiveness of the valuer in line with ISA (UK) 500 Audit Evidence. We will review the valuation report and consider the assumptions used by the external valuer against external sources of evidence. In addition we will

consider the scope of the external valuer's work and the information provided to the external valuer for completeness.

Winding up of trusts
In January 2018, a paper was presented to the Council's Finance and Resources Committee seeking approval for the formal winding up of the City of Edinburgh Council Charitable Funds (Boyd Anderson) and the transfer of the remaining assets to the Lagganlia Outdoor Learning Centre. Consent to wind up this charitable trust was received from the OSCR in December 2017. Due to the temporary closure of the centre as a result of the COVID-19 pandemic, construction works have not yet been completed and therefore these monies have not yet been transferred. OSCR has granted consent to wind up this Trust and this will be progressed once construction works have been completed. In the 2019/20 financial statements, the Trustees prepared the financial statements for the City of Edinburgh Council Charitable Funds (Boyd Anderson) adopting a break-up basis of accounting as they considered that it was not a going concern. Our opinion was not modified in respect of this matter. There is a risk that this Fund is not accounted for and disclosed correctly in the financial statements.

116. We will review the disclosures and accounting transactions in the financial statements to ensure compliance with the Charites SORP (FRS 102) and applicable accounting standards.

Other risk factors

Impact of COVID-19 on the financial statements

117. Further to the identification of significant audit risks, we also continue to monitor the impact COVID-19 could have on the financial statements. COVID-19 continues to present unprecedented challenges to the operation, financial management and governance of organisations. It is uncertain how long these challenges will persist.

118. We continue to monitor relevant announcements as they pertain to the audit and will adapt our audit approach as required.

Accounting estimates

119. Changes to ISA (UK) 540 - Auditing Accounting Estimates and Related Disclosures which is applicable for accounting periods beginning on or

after 15 December 2019 places increased regulatory requirements on the auditor in respect of the auditing of significant estimates at the planning and completion stages of the audit.

120. As part of the planning stages of the audit we identify all accounting estimates made by management and determine which of those are key to the overall financial statements. Consideration is given to, for example, asset valuations and accruals. Other than valuation of Lauriston Castle Trust collection, we have not determined the accounting estimates used to be significant. We will however revisit our assessment during the fieldwork and completion stages of our audit.

Going concern

121. Under the going concern principle it is assumed that an entity will continue in operation and there is neither the intention nor the need to liquidate it or cease trading.

122. Management are required to make and document a comprehensive assessment of whether the entity is a going concern when preparing the financial statements. The process should be proportionate in nature and depth depending upon the size and level of financial risk and the complexity of the entity and its operations. The review period should cover at least 12 months from the date of approval of the financial statements. Trustees are also required to make balanced, proportionate and clear disclosures about going concern in the financial statements where material uncertainties exist in order to give a true and fair view.

123. Under ISA (UK) 570, auditors are required to consider the appropriateness of management's use of the going concern assumption in the preparation of the financial statements, and consider whether there are material uncertainties about the entity's ability to continue as a going concern that need to be disclosed in the financial statements.

124. Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Materiality

125. Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

126. Under ISA (UK) 260 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA (UK) 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

127. An omission or misstatement is regarded as material if it would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the business and the needs of the users.

128. When planning, we make judgements about the size of misstatements which we consider to be material, and which provide a basis for determining the nature and extent of our audit procedures. Materiality is revised as our audit progresses, should we become aware of any information that would have caused us to determine a different amount had we known about it during our planning.

129. The table below sets out our initial assessment of materiality, performance materiality and trivial thresholds for the six charitable trusts:

	Overall materiality for the financial statements (£)	Performance materiality (£)	Trivial threshold (£)	Explanation
Lauriston Castle	140,900	105,675	7,045	
Jean F. Watson	129,180	96,885	6,459	**Overall materiality:** our assessment is based on approximately 2% of gross assets. We consider this benchmark to be the principal consideration for the users of the financial statements when assessing the performance of each charitable trust.
Edinburgh Education Trust	20,380	15,285	1,019	
Nelson Halls	4,980	3,735	249	
City of Edinburgh Council Charitable Funds (Boyd Anderson)	2,120	1,590	106	**Performance materiality:** Using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.
Royal Scots Monument Trust	720	540	36	**Trivial threshold:** 5% of overall materiality for the financial statements.

Audit outputs, timetables and fees

45

AZETS

Audit outputs, timetable and fee

Audit outputs

The Local Authority (Capital Finance and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2021 (currently in draft) amend dates set in the Local Authority Accounts (Scotland) Regulations 2014. The amended dates apply to the accounts for the financial year 2020/21 and state that the annual accounts should aim to be approved by 31 October 2021. Audit Scotland has also proposed 31 October for 2020/21 as the provisional submission deadline.

We have set out below target months which align to the Council's annual accounts timetable and 2021 schedule of GRBV and Finance & Resources Committee meetings. We will aim to meet these scheduled meetings however this will be monitored during the audit process and may require to be revised to reflect emerging issues as a result of the pandemic.

Audit output	Description	Target month	Deadline for submission to Audit Scotland
External audit plan	This report sets out the scope of our audit for 2020/21.	March 2021	30 April 2021
Independent Auditor's Report	This report will contain our opinion on the financial statements, the audited part of the remuneration report, annual governance statement and management commentary.	October 2021	31 October 2021
Annual Report to the Council and the Controller of Audit	At the conclusion of each year's audit we issue an annual report setting out the nature and extent of our audit work for the year and summarise our opinions, conclusions and the significant issues arising from our work. This report pulls together all of our work under the Code of Audit Practice.	October 2021	31 October 2021

46

Audit output	Description	Target month	Deadline for submission to Audit Scotland
Report to those charged with governance relating to the charitable trusts	We will issue an ISA 260 report addressed to the trustees summarising our opinions, conclusions and the significant issues arising from our work.	October 2021	31 October 2021
Grant claims and returns: • Education Maintenance Allowances (EMA) • Non domestic rate income return (NDRI) • Whole of Government Accounts (WGA) • Housing benefit subsidy claim (HB)	We provide assurance, by way of an audit certificate on the grant claims / returns listed.	• EMA: July 2021 • NDRI: October 2021 • WGA: TBC • HB: TBC	N/A

130. Prior to submitting our outputs, we will discuss all issues with management to confirm factual accuracy and agree a draft action plan where appropriate.

131. The action plans within the reports will include prioritised recommendations, responsible officers and implementation dates. We will review progress against the action plans on a regular basis.

Audit fee

132. Audit Scotland sets an expected audit fee that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for audit. The expected fee is reviewed by Audit Scotland each year and adjusted if necessary based on auditors' experience, new requirements, or significant changes to the audited body.

133. As auditors we negotiate a fee with the Council during the planning process. The fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.

134. For 2020/21 the expected fee for the Council is £595,270. We propose setting the 2020/21 audit fee above the expected fee to reflect the co-

ordinated and integrated approach to working with internal audit. For 2020/21 this includes the following areas of work:

Area	Fee
Payroll: detailed data analytics of Payroll system data.	£8,100
Risk management – a follow up of the recommendations raised in 2019/20 on the Council's risk management arrangements	£2,400

135. The total proposed fee for the Council for 2020/21 is as follows:

	2020/21	2019/20
Auditor remuneration	£333,550	£347,828
Pooled costs	£30,720	£30,690
Contribution to PABV costs	£223,730	£218,730
Audit support costs	£17,770	£18,960
Total fee	**£605,770**	**£616,208**

136. We will take account of the risk exposure of the Council and the management assurances in place. We assume receipt of the draft working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or agreed management assurances are unavailable, we reserve the right to charge an additional fee for additional audit work. An additional fee will be

required in relation to any other significant exercises not within our planned audit activity.

Audit fee – Charitable Trust Funds

137. The audit fee in the table above does not include the cost of auditing charitable trust funds. We propose setting the audit fee for the audit of the charitable trusts at £8,240.

Audit timetable

138. A summary timetable, including audit outputs, is set out as follows:

JAN 21 – FEB21 Planning meetings to inform the 2020/21 audit

MAR 21 Presentation of External Audit Plan to the GRBV committee

MAR 21 – JUN 21 Interim audit including review of accounting systems

JUL 21 Accounts presented for audit and final audit visit begins. Grant claim audit work commences.

OCT 21 Presentation of our Annual Report on the Audit to the GRBV committee.

Appendices

Appendix 1: Azets

On 7 September 2020, the Cogital Group of companies (Scott-Moncrieff, Campbell Dallas, Baldwins and Wilkins Kennedy) came together as Azets. Whilst it is a new name, we still deliver the same personal approach to accounting, tax, audit, advisory and business services, digitally and locally.

With over 6,500 advisers and specialists across our office network, we help people and organisations of all shapes and sizes save time, work smarter and achieve their goals. Our job is to give you the support you need so you can focus on what you do best.

We have been external auditors within the public sector for at least fifty years. We provide a comprehensive range of services to clients across the public sector, including local authorities, NHS bodies, central government bodies and FE colleges. We also provide services to charities, schools, as well as private and public limited companies.

Your Engagement Team

Nick Bennett

Audit Partner

nick.bennett@azets.co.uk

Nick has over 30 years' experience of public sector auditing and has been heavily involved in developing public sector accounting standards. Nick's experience and expertise is acknowledged both by clients and by other professionals involved right across the public sector.

Karen Jones

Audit Director

karen.jones@azets.co.uk

Karen is one of our directors responsible for the audit of our Audit Scotland external audit appointments. She has considerable experience in planning and delivering audits, producing management reports and liaising with senior officers.

Nicola MacKenzie

Audit Manager

nicola.mackenzie@azets.co.uk

Nicola has over 6 years' public sector external audit experience, working with a range of bodies across local government, central government, health and further education sector.

Nicola will work alongside Karen to deliver the audit engagement.

Paul Kelly

Business Technology Consulting Director

paul.kelly@azets.co.uk

Paul leads the delivery of our computer audit services to the Council and has over 20 years' experience of delivering services such as network infrastructure and security reviews and determining compliance with the requirements of the information security standard, BS779.

Mitchell Collins

Business Technology Consulting Senior Manager

mitchell.collins@azets.co.uk

Mitch supports Paul in the delivery of computer audit services to the Council, including the provision of data analytic services**.**

Matthew Swann

Business Risk & Assurance Services Associate Director

matthew.swann@azets.co.uk

Matthew has over 10 years of experience delivering audit services to public sector bodies. He leads on the delivery of our work with internal audit to provide a co-ordinated and integrated approach to audit services.

AZETS

Appendix 2: Confirmation of independence

International Standard on Auditing (UK) 260 "Communication with those charged with governance" requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

In particular, FRC's Ethical Standard stipulates that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. No non-audit services are provided to the City of Edinburgh Council. We have detailed in the table below the non-audit services provided to the wider group, the threats to our independence and the safeguards we have put in place to mitigate these threats.

Non-audit service	Type of threat	Safeguard
Corporation tax compliance services	Self-review	Corporation tax compliance services are provided by a separate tax team.
Tax advisory services	Self-review Management decisions	Tax advisory services are provided by a separate tax team.
Preparation of financial statements	Self-review Management decisions	All adjustments to the financial statements are agreed with those charged with governance. In addition to this, a 2nd manager review of the financial statements is performed by an audit manager not involved in the audit of the financial statements.

The approximate total fees charged to the Group for the provision of services in 2020/21 is as follows:

	Current year £
Audit of City of Edinburgh Council (Auditor remuneration)	333,550
Audit of components (as audited by Azets)	153,889
Total audit	**487,439**
Non-audit services	34,000
Total fees	**521,439**

52

53

We confirm that we comply with FRC's Ethical Standard. In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way. In particular there are and have been no relationships between Azets, the Council, its elected members and senior management that may reasonably be thought to bear on our objectivity and independence.

AZETS

Appendix 3: Statement of understanding

Introduction

The purpose of this statement of understanding is to clarify the terms of our appointment and the key responsibilities of the Council and Azets.

Annual accounts

We require the annual accounts and supporting working papers for audit by the agreed date specified in the audit timetable. It is assumed that the relevant staff will have adequate time available to deal with audit queries and will be available up to the expected time of completion of the audit. We will issue a financial statements strategy in advance of our final audit visit which sets out our expectations in terms of audit deliverables. This document helps to ensure we can work together to deliver an efficient and effective audit.

Fees

We base our agreed fee upon the assumption that all of the required information for the audit is available within the agreed timetable. If the information is not available within the timetable we reserve the right to charge a fee for the additional time spent by our staff. The fee will depend upon the level of skill and responsibility of the staff involved. The indicative financial statements strategy referred to above is a key means for us to clarify our expectations in terms of quality, quantity and extent of working papers and supporting documentation.

Representations

As auditors we do not act as a substitute for the Council's responsibility to establish proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

As part of our normal audit procedures, we will ask you to provide written confirmation of certain oral representations which we have received from the Council during the course of the audit on matters having a material effect on the annual accounts. This will take place by means of a letter of representation, which will require to be signed by the Head of Finance (s95 officer).

Internal audit

It is the responsibility of the Council to establish adequate internal audit arrangements. The audit fee is agreed on the basis that an effective internal audit function exists.

We will liaise with internal audit to ensure an efficient audit process.

Fraud and irregularity

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or irregularity issues to be reported to us as they arise. In particular we require to be notified of all frauds which:

- Involve the misappropriation of theft of assets or cash which are facilitated by weaknesses in internal control
- Are over £5,000

We also require a historic record of instances of fraud or irregularity to be maintained and a summary to be made available to us after each year end.

Anti-money laundering

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 impose an obligation on the Auditor General to inform the National Crime Agency (NCA) if he knows or suspects that any person has engaged in money laundering or terrorist financing. Audit Scotland has extended this responsibility to the Accounts Commission in respect of local government.

We require the Council to notify us on a timely basis of any suspected instances of money laundering so that we can inform Audit Scotland who will determine the necessary course of action.

Ethics

We are bound by the ethical guidelines of our professional body, the Institute of Chartered Accountants in England and Wales.

Service

If at any time you would like to discuss with us how our service to you could be improved or if you are dissatisfied with the service you are receiving please let us know by contacting Nick Bennett. If you are not satisfied, you should contact our Ethics Partner, Bernadette Higgins. In the event of your not being satisfied by our response, you may also wish to bring the matter to the attention of the Institute of Chartered Accountants in England and Wales.

We undertake to look at any complaint carefully and promptly and to do all we can to explain the position to you.

Reports

During the course of the audit we will produce reports detailing the results and conclusions from our work.

Any recommendations arising from our audit work will be included in an action plan. Management are responsible for providing responses, including target dates for implementation and details of the responsible officer.

Agreement of terms

We shall be grateful if the GRBV committee would consider and note this statement of understanding. If the contents are not in accordance with your understanding of our terms of appointment, please let us know.

We are an accounting, tax, audit, advisory and business services group that delivers a personal experience both digitally and at your door.
Accounting | Tax | Audit | Advisory | Technology

Governance, Risk and Best Value Committee

10am, Tuesday, 23 March 2021

Annual Treasury Management Strategy 2021/22 - referral from the City of Edinburgh Council

Executive/routine
Wards
Council Commitments

1. For Decision/Action

1.1 The City of Edinburgh Council has referred a report on the Annual Treasury Management Strategy 2021/22 to the Governance, Risk and Best Value Committee for scrutiny.

Andrew Kerr

Chief Executive

Contact: Louise Williamson, Committee Services, Strategy and Communications Division, Chief Executive's Service

E-mail: louise.p.williamson@edinburgh.gov.uk | Tel: 0131 529 4264

Referral Report

Annual Treasury Management Strategy 2021/22

2.   Terms of Referral

2.1   The City of Edinburgh Council on 11 March 2021 considered a report which proposed a Treasury Management Strategy for the Council for 2021/22, comprising an Annual Investment Strategy and a Debt Management Strategy. Approval was sought for the Treasury Management Strategy.

2.2   The City of Edinburgh Council agreed:

2.2.1   To approve the Treasury Management Strategy and the change to the Council's Treasury Management Policy Statement.

2.2.2   To refer the report to the Governance, Risk and Best Value Committee for scrutiny.

3.   Background Reading/ External References

Minute of the City of Edinburgh Council 11 March 2021.

Minute of Finance and Resources Committee 4 March 2021.

4.   Appendices

Appendix 1 - report by the Executive Director of Resources

Finance and Resources Committee

10:00am, Thursday, 4 March 2021

Annual Treasury Management Strategy 2021/22

Executive/routine	Executive
Wards	
Council Commitments	

1.   Recommendations

1.1   It is recommended that the Committee:

1.1.1   Notes the Annual Treasury Strategy 2021/22 and refers the report to the City of Edinburgh Council for approval of the report and the change to the Council's Treasury Management Policy Statement and subsequent remit by the City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.

1.1.2   Notes the key points in the report, that:

- The Council's total capital expenditure is forecast to be £1.987bn between 2020/21 and 2024/25 with an underlying need to borrow at 31 March 2025 forecast to be £2.327bn;

- The Council will continue to fund its Capital Financing Requirement from temporary investment balances over the next year; and,

- The Council will continue to seek opportunities to mitigate future interest rate risk with alternatives to the Public Works Loan Board (PWLB) and lock out the risk where appropriate.

Stephen S. Moir

Executive Director of Resources

Contact: Innes Edwards, Principal Treasury and Banking Manager,
Finance Division, Resources Directorate
E-mail: innes.edwards@edinburgh.gov.uk | Tel: 0131 469 6291

<div style="background:#1F5FA8;color:white;font-weight:bold;font-size:2em;padding:0.5em;">Report</div>

Annual Treasury Management Strategy 2021/22

2.   Executive Summary

2.1   The report proposes a Treasury Management Strategy for the Council for 2021/22, comprising an Annual Investment Strategy and a Debt Management Strategy. There is a statutory requirement for Council to approve this in advance of the new financial year.

3.   Background

3.1   This report sets out a Treasury Management Strategy for 2021/22 including estimates of funding requirements, an economic forecast and borrowing and investment strategies.

3.2   The Council's Treasury Management activities are carried out in accordance with the Council's Treasury Policy Statement. Under the provisions of the Treasury Policy Statement, a report should be submitted on the proposed Treasury Management Strategy for the ensuing year. The Treasury Strategy aims to:

- Ensure that the Council has sufficient and appropriate facilities available to meet its short and long-term borrowing requirements and funding needs;

- Secure new funding at the lowest cost; and,

- Ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks.

3.3   Treasury Management is undertaken with regard to the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code. It also adheres to the statutory requirements in Scotland which require this report, including the Capital Investment Programme and Prudential Indicators to be approved by the full Council. Appendix 7 gives details of the Capital Investment Programme and Prudential Indicators which were approved by Council as part of the budget process.

4. Main report

Capital Expenditure

4.1 Table A1.1 in Appendix 1 shows the forecast capital expenditure for both the General Fund (GF) Services and the Housing Revenue Account (HRA) for the current and next 4 years. This shows that GF capital expenditure is anticipated to be £1.175bn, and the HRA £812m, giving a total of £1.987bn over the 5 years.

Loans Fund Borrowing Requirement

4.2 Tables A1.2 and A1.3 show how it is anticipated that the Capital Expenditure in Table A1.1 will be funded. Of the £1.987bn, £793m for the GF and £418m for the HRA will be funded by new capital advances from the Loans Fund.

4.3 Table A1.4 in Appendix 1 shows that the Council's underlying need to borrow (shown as 'Cumulative Capital Expenditure') is projected to increase from £1.375bn at the start of the current financial year to £2.327bn at 31 March 2025.

Economic Outlook

4.4 Appendix 2 gives an overview of the current economic and market outlook. World economies remain weak as it continues to cope with lockdowns due to the Coivd-19 pandemic. In the UK inflation is below the Bank of England's target rate of 2% at 0.8% and unemployment has risen to 4.9% due to impact of Coronavirus.

Treasury Management Strategy – Debt

4.5 The Council borrowed £236m during the 2019/20 financial year, reducing the use of temporary investments to fund capital expenditure to £39m. Due to the consequences of the global pandemic £200m of capital expenditure projected to be spent in 2020/21 has been re-profiled into future financial years. During much of the 2020/21 financial year, PWLB rates were set at a higher level while a consultation on the PWLB was undertaken. However, the Council has a substantial borrowing requirement in the coming financial years. Interest rates are still at a historic low but are likely to be subject to upward pressure if the COVID-19 vaccines prove effective.

4.6 The Debt Management Strategy for 2021/22, as set out in Appendix 3, is to:

- continue to reduce investment balances to temporarily fund capital expenditure;

- seek alternative sources of funds to the PWLB; and

- continue to lock out the risk on projects when the timing of capital expenditure becomes certain and interest rates are appropriate.

Loan Fund Repayment Policy

4.7 The Council operates a consolidated loans fund under the terms of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, and one of the requirements of the Regulations is to report the Council's Loan Fund

Repayment Policy. The Policy for 2020/21 is contained in Appendix 4 and Appendix 6 sets out details of the existing loans including maturity date and interest rate payable.

Treasury Management – Annual Investment Strategy

4.8   Appendix 5 details the proposed Annual Investment Strategy for 2021/22. It is intended to continue the current investment strategy, which is centred around the security of the investments, taking advantage of longer rates where liquidity allows. Investment will continue to be made via the Cash Fund arrangement.

Treasury Management Indicators

4.9   Appendix 7 shows the Indicators required by the Prudential Code which were approved by Council on 18 February.

Treasury Management Policy Statements

4.10   Appendices 8 and 9 set out the Treasury Management Policy Statements for the City of Edinburgh Council and its Treasury Cash Fund.

5.   Next Steps

5.1   The success of the Treasury team can be measured by the outperformance of the Treasury Cash Fund against its benchmark of 7-day London Interbank Bid Rate (LIBID) and managing the Council's debt portfolio to minimise the cost to the Council while mitigating risk.

6.   Financial impact

6.1   The Council continues to manage its debt portfolio so as to minimise the medium-term cost of funding its capital projects. Provision for the revenue implications arising from this report have already been included in the Council's long-term financial plan.

6.2   The Treasury Cash Fund has generated significant additional income for the Council.

7.   Stakeholder/Community Impact

7.1   There are no adverse stakeholder/community impacts arising from this report.

8.   Background reading/external references

8.1   None

9. Appendices

9.1 Appendix 1 – Capital Expenditure and Funding Requirement

9.2 Appendix 2 - Economic and Market Outlook

9.3 Appendix 3 – Treasury Management – Debt Management Strategy

9.4 Appendix 4 – Loans Fund Repayment Policy

9.5 Appendix 5 – Treasury Management – Annual Investment Strategy

9.6 Appendix 6 – Debt Maturity Profile (January 2019)

9.7 Appendix 7 – Prudential Indicators

9.8 Appendix 8 – Treasury Management Policy Statement – The City of Edinburgh Council

9.9 Appendix 9 – Treasury Management Policy Statement – Treasury Cash Fund

Summary of
Capital Expenditure and Funding Requirement

	2019/20 Actual £000	2020/21 Forecast £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Communities and Families	64,321	51,281	122,262	56,546	64,533	80,951
Place	109,606	104,161	144,927	37,028	28,707	22,676
Place - Lending	28,138	19,569	20,302	4,856	72,000	70,500
Place - Trams to Newhaven	26,421	56,319	72,032	41,744	12,849	-
Resources - Asset Management Works	48,547	13,816	20,861	25,650	19,800	19,800
Resources	2,873	1,758	2,088	807	1,091	1,597
Edinburgh Integration Joint Board	-110	284	0	0	0	0
Slippage Assumption			-18,108	1,848	-16,360	16,856
Capital Expenditure per CIP	**279,796**	**247,188**	**364,364**	**168,479**	**182,620**	**212,380**
HRA – Capital Expenditure (inc. Early Action)	**111,854**	**46,855**	**87,386**	**190,541**	**259,152**	**228,348**

Table A1.1 - Capital Expenditure on General Fund Services and HRA

General Fund	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Central Government Grants	148,229	79,410	68,609	38,225	38,225	45,000
Use of Capital Receipts	43,125	5,757	3,000	3,000	3,000	3,000
Other External Income	9,666	17,140	56	5,777	1,158	9,893
Draw down from Capital Fund	6,311	14,195	6,986	9,186	0	10,828
Capital Grants Unapplied	805	0	14,442	3,422	0	0
Developers Contributions	0	0	380	380	380	760
Loans Fund Advances	72,465	130,686	270,891	108,489	139,857	142,899
Total	**279,796**	**247,188**	**364,364**	**168,479**	**182,620**	**212,380**

Table A1.2 - Funding Sources for General Fund Services Capital Expenditure

HRA	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Grants	11,613	8,526	14,859	7,012	35,686	26,482
Capital Funded from Current Revenue	23,000	0	18,300	23,300	28,300	10,800
Capital Receipts from Edinburgh Living	38,838	24,103	21,143	6,162	76,718	93,196
Loans Fund Advances	38,403	14,226	33,084	154,067	118,448	97,870
Total	**111,854**	**46,855**	**87,386**	**190,541**	**259,152**	**228,348**

Table A1.3 - Funding Sources for HRA Capital Expenditure

Capital Funding v. External Debt	2019/20 Outturn £'000	2020/21 Forecast £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Debt b/fd	1,198,460	1,336,058	1,337,470	1,284,875	1,232,882	1,191,396
Cumulative Capital Expenditure b/fd	1,355,901	1,374,600	1,457,795	1,775,598	1,979,907	2,165,927
Over/underborrowed b/fd	-157,441	-38,542	-120,325	-490,724	-747,025	-974,531
GF Capital Financed by borrowing	17,921	54,798	213,187	62,268	55,388	73,159
Tram Capital Financed by borrowing	26,406	56,319	71,652	41,364	12,469	-760
Lending to LLPs	28,138	19,569	20,302	4,856	72,000	70,500
HRA Capital Financed by borrowing	38,403	14,226	33,084	154,067	118,448	97,870
less scheduled repayments by GF	-66,229	-32,439	0	-36,206	-41,492	-44,835
less scheduled repayments by Tram	0	-1	0	0	-4,942	-5,060
less scheduled repayments by LLPs*	-4,728	-14,559	-4,623	-4,834	-4,879	-5,859
less scheduled repayments by HRA	-20,695	-14,174	-15,242	-16,619	-20,349	-23,609
less scheduled repayments by Joint Boards	-517	-544	-556	-588	-623	-557
Underlying Need to Borrow	**18,699**	**83,195**	**317,804**	**204,308**	**186,020**	**160,849**
plus total maturing debt	98,750	58,589	52,595	51,993	41,486	40,674
Total Borrowing Requirement	**117,449**	**141,784**	**370,399**	**256,301**	**227,506**	**201,523**
Cummulative Borrowing Requirement		**141,784**	**512,182**	**768,484**	**995,989**	**1,197,513**
New / Committed Borrowing	236,348	60,000				
Debt at end of the year	**1,336,058**	**1,337,470**	**1,284,875**	**1,232,882**	**1,191,396**	**1,150,722**
Cumulative Capital Expenditure	**1,374,600**	**1,457,795**	**1,775,598**	**1,979,907**	**2,165,927**	**2,326,776**
Cumulative Over/Under Borrowed	**-38,542**	**-120,325**	**-490,724**	**-747,025**	**-974,531**	**-1,176,054**

* This is based on the known repayments for current advances, with the planned advances on a 40 year annuity basis, using a 3.15% interest rate.

Table A1.4 - Capital Funding v. External Debt

Economic and Market Outlook

Overview

Coronavirus has and will continue to be the major influence on the UK economy along with the effect of Brexit in 2021/22 including lockdown measures, vaccines and new trading arrangements. Unfortunately, with the new more transmissible variant of the virus numbers are hitting new record highs. However, during December we have had some good news in that two vaccines were given approval in the UK. Although it will take some time to vaccinate the population, there may be some light at the end of the tunnel.

World Economy

In the US the Federal Reserve Open Market Committee (FOMC) voted to reduce interest rates twice in March 2020. It has remained at its current rate of 0-0.25 since 16th March and have strongly indicated that interest rates are unlikely to change over the next three years. The US Economy grew by 33.4% in Quarter 3 after a contraction of 31.4% in Quarter 2. President Biden was officially sworn in on the 20th January ending 4 years of President Trump in the White House.

Inflation in the Eurozone is expected to be -0.3% in December 2020, the same as the previous 3 months. Prices should continue to fall for energy and non-energy industrial products. Prices for food, alcohol and tobacco increased. Core inflation, which excludes the prices of food, alcohol and tobacco and energy, for December is likely to be unchanged at 0.2% which continues to be the lowest on record. The economy grew by 12.5% in the three months to September 2020, recovering from -11.7% the previous quarter. This was the largest increase since 1995 which was boosted by a rebound in activity and demand as lockdowns were gradually lifted. Since September further restrictions were implemented across the Eurozone which will have a negative effect on future growth figures.

UK Inflation Outlook

Figure A2.1 below shows CPI (Consumer Price Index) and RPI since March 2004 and CPIH (CPI including owner occupier housing costs), which was reinstated as a national statistic in July 2017, since 2009.

Figure A2.1 – CPIH, CPI and RPI since 2004

Source: ONS
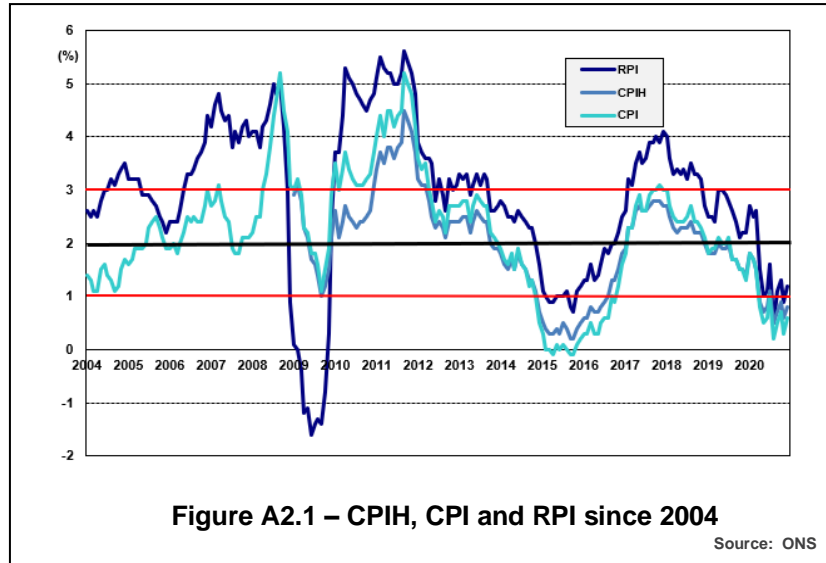
The Government's preferred measure of inflation, CPI was 0.6% in December 2020, up from 0.3% in November and below the Bank of England's target rate. CPIH was 0.8% in December, up from 0.6% in November. The largest upwards contributions came from recreation and culture, rising transport costs and clothing. Downwards movements came from food and non-alcoholic beverages. Figure A2.2 shows the contributions to CPIH from December 2017 to December 2019, highlighting the movements.

Figure A2.2 – Contributions to CPIH Dec 18 to Dec 20

Source: ONS
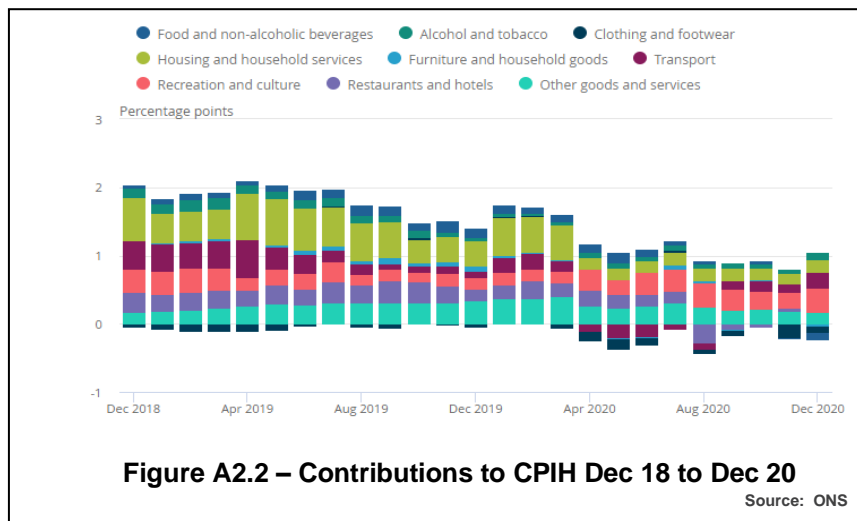
Interest Rate Outlook

Table A2.1 gives a Reuters poll of up to 59 economists, taken 15th January, showing their forecasts for UK Bank Rate until Quarter 2 2022. Most economists polled believed that the UK Bank Rate will remain at 0.10% until the 2nd quarter of 2022. The poll also shows some Economists believe UK Bank Rate will turn negative as quickly as Q1 2021.

	2021				2022	
	Q1/21	Q2/21	Q3/21	Q4/21	Q1/22	Q2/22
Median	0.10	0.10	0.10	0.10	0.10	0.10
Mean	0.09	0.08	0.07	0.07	0.08	0.08
Mode	0.10	0.10	0.10	0.10	0.10	0.10
Min	-0.15	-0.15	-0.15	-0.15	-0.10	-0.10
Max	0.10	0.10	0.10	0.10	0.10	0.10
Count	59	59	59	59	43	34

Table A2.1 – Economists' Forecasts for UK Bank Rate

Source: REUTERS

UK Interest Rates

Due to the worsening global economic impact of the COVID-19 virus the Bank of England's Monetary Policy Committee (MPC) cut UK Bank Rate from 0.75% to 0.25% on the 11th March 2020 then again on the 19th March to 0.10% where it remains. The quantitative easing programme has increased by £450bn from the start of lockdowns in March and now stands at £895bn.

In November 2020 after a consultation process the PWLB announced a reduction of 1% in all Standard Rate and Certainty Rate loans effective immediately. The new terms apply to all Local Authorities as long as they confirm there is no intention to buy investment assets primarily for yield in the current or next two financial years. Gilt yields have remained relatively low with short term yields negative. However, we consider that there is some upward pressure on rates which is likely to intensify if the roll out in the Covid-19 vaccine is seen to be successful and results in a rebound in the economy.

Treasury Management – Debt Management Strategy

Overview

The overall objectives of the Council's Strategy for Debt Management are to:

- forecast average future interest rates and borrow accordingly;

- secure new funding at the lowest cost in a manner that is sustainable in the medium term;

- ensure that the Council's interest rate risk is managed appropriately;

- ensure smooth debt profile with a spread of maturities; and

- reschedule debt to take advantage of interest rates.

Loans Fund Borrowing Requirement

Around £200m of capital expenditure which anticipated in 2020/21 has been re-profiled into future financial years due to the effects of the global pandemic and lockdowns. Table A1.1 in Appendix 1 shows the forecast capital expenditure for both the General Fund (GF) Services and the Housing Revenue Account (HRA) for the current and next 4 years. This shows that GF capital expenditure is anticipated to be £1.175bn, and the HRA £812m, giving a total of £1.987bn over the 5 years.

Tables A1.2 and A1.3 show how it is anticipated that the Capital Expenditure in Table A1.1 will be funded. Of the £1.987bn, £827m for the GF and £418m for the HRA will be funded by new capital advances from the Loans Fund. Table A1.4 in Appendix1 shows that the Council's underlying need to borrow (shown as Cumulative Capital Expenditure) is projected to increase from £1.375bn at the start of the current financial year to £2.327bn at 31 March 2025.

The Cumulative Borrowing Requirement shows that if the Council were to fully fund its Capital Financing Requirement it would need to borrow £1.198bn over the next 5 years, on top of the £39m in cash balances which have already been used to temporarily fund capital expenditure. Figure A3.1 below shows the Council's Liability benchmark which includes projected borrowing up to 2031. This indicates how much the Council would need to borrow if the Capital projections prove to be accurate. The Council therefore have a substantial borrowing requirement and hence interest rate risk.

Figure A3.1 – Liability Benchmark
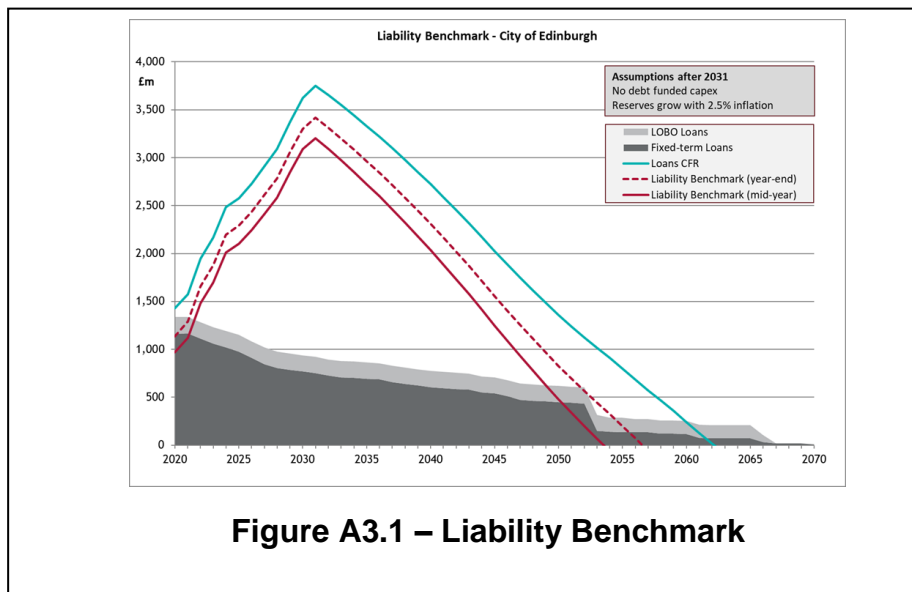
Debt Management Strategy

The Council has a substantial borrowing requirement over the next 5 years which gives the Council a significant financing risk. The quarter of a billion pounds of borrowing undertaken in 2019/20 has reduced the financing risk to an extent but the Liability Benchmark indicates the substantial level of borrowing which the Council may have to undertake in a rising interest rate environment. Figure A3.2 below shows PWLB Maturity Borrowing Rates from April 2005 to February 2021.

Figure A3.2 – PWLB Borrowing Rates
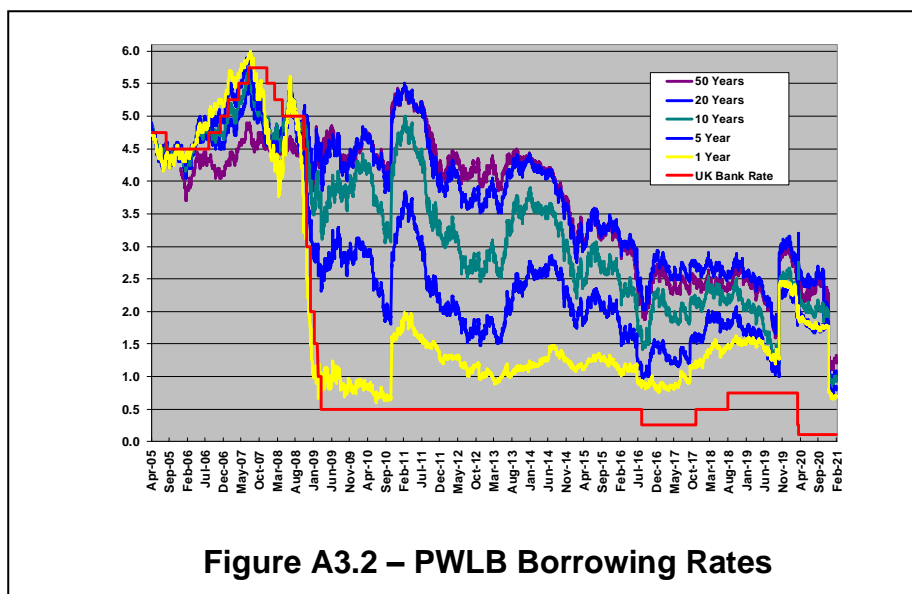
Because of the new borrowing undertaken in 2019/20, the use of temporary investments to fund capital expenditure fell from £157m to £39m at 31 March 2020. This gave scope to await the results of the PWLB Consultation, but the quantum of borrowing requirement which the Council has over the next few years suggests that more of the financing risk

Finance and Resources Committee – 4 March 2021

needs to be managed. It is therefore intended to lock out PWLB borrowing as the certainty of capital expenditure becomes clear. Forward starting options as an alternative to PWLB will also be considered to manage the risks.

The strategy for the coming year is therefore to:

- continue to reduce investment balances to temporarily fund capital expenditure;
- seek alternative sources of funds to the PWLB; and
- continue to lock out the risk on projects when the timing of capital expenditure becomes certain and interest rates are appropriate.

Loans Fund Repayment Policy

The Council operates a consolidated loans fund under the terms of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016. Capital payments made by services are financed by capital advances from the loans fund. The Regulations require the Council to have a policy for the prudent repayment to the loans fund of the capital advances. The 2016 guidance sets out four options for the calculation of the repayment of loans fund advances, which are:

Option 1 – Statutory Method – this method allows repayments to me made as if the previous Schedule 3 to the 1975 Local Government (Scotland) Act was still in force but will no longer be available as an option after March 2021;

Option 2 – Depreciation Method – a complex method that links the calculated repayment to the depreciation charged each year and movement in the value of the asset;

Option 3 – Asset Life Method – a simpler alternative to the depreciation method, either on an equal instalment basis or on an annuity basis; or

Option 4 – Funding/Income Profile Method – repayments calculated by assessing future income receivable from the use of the asset, if the asset created generates income.

The guidance indicates that these four options are those likely to be most relevant for the majority of local authorities for loans fund advances made for the authority's own capital expenditure. Other approaches are not ruled out but must be considered by the local authority to be a prudent repayment.

As part of the 2019/20 budget process the Council received a report on the review carried out on the loans fund. The report recommended changes in the method of calculating loans fund repayments for current and historical capital advances. Those changes mean that the repayments for both historical and new capital advances (with the exception of those detailed below) will be calculated using option 3 – the Asset Life method.

For capital advances relating to loans to the Edinburgh Living LLPs and capital advances for the "Trams to Newhaven" project, all advances from the loans fund in the current year have a repayment profile set out using Option 4 – the funding/income method and these capital advances will be repaid using an annuity structure with fixed interest rate and principal repayments.

The business cases brought forward for other projects involving major capital expenditure funded by borrowing will consider the appropriate repayment method depending on the structure of the business case.

The Council operates the loans fund to manage historic debt and the balance therefore represents historic borrowing for capital spend.

Treasury Management – Annual Investment Strategy

In line with CIPFA's Code of Practice, the overall objectives of the Council's Strategy for Investment Management are to:

- ensure the security of funds invested;

- ensure that the Council has sufficient liquid funds to cover its expenditure commitments; and

- pursue optimum investment return within the above two objectives.

The Council's cash balances are pooled and invested via the Treasury Cash Fund subject to the limits set out in the Cash Fund Treasury Management Policy Statement. The Cash Fund's Investment Strategy continues to be based around the security of the investments. Figure A5.1 below shows the distribution of Cash Fund deposits since inception.

Figure A5.1 – Cash Fund Investments since inception
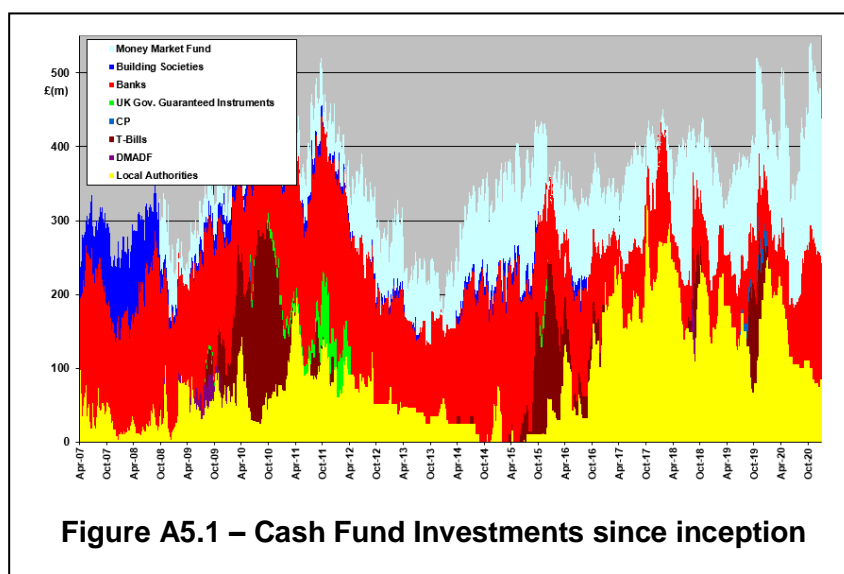
Figure A5.1 shows the split of investments since the inception of the cash fund.

Figure A5.2 below shows the level of Council investments via the cash fund. The large peak at the start of the financial year was due to Scottish Government Grants to cover COVID-19 grant claim and can be seen reducing very quickly. The following peak in October was the drawdown of the large forward borrowing agreed in 2018. Opportunities were taken to lock out some Local Authority deposits at a rate higher than on offer with Banks and Money Market Funds and the average weighted life of the fund was 30 days towards the end of the calendar year.
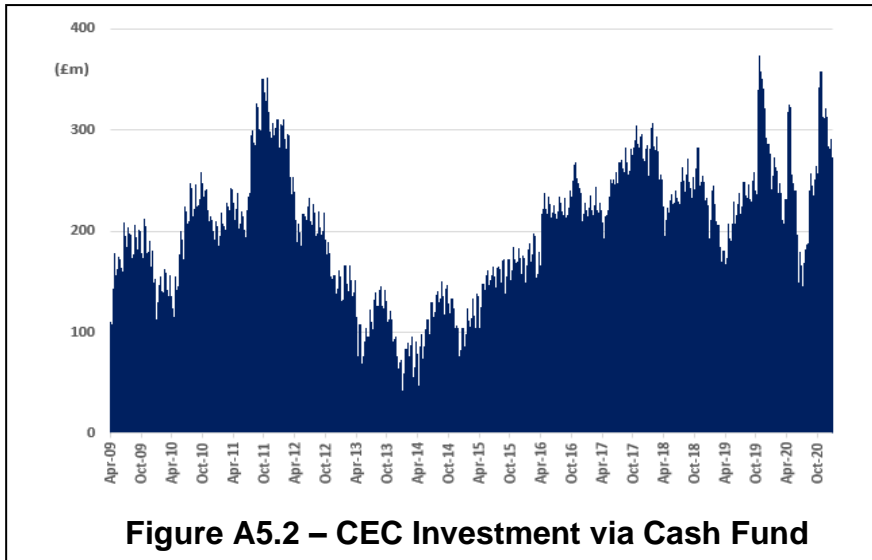
Figure A5.2 – CEC Investment via Cash Fund

Our central forecast has been that UK Bank Rate will remain at 0.10% for some time to come. However, further cuts to zero or negative can't be fully ruled out. There are continued dangers from Coronavirus although vaccinations can hopefully mean that that lockdowns can come to an end later in the year subsequently giving a much needed lift to the economy.

It is intended to continue the current investment strategy centred around the security of the investments, taking advantage of longer rates where liquidity allows.

Investment will continue to be made via the Treasury Cash Fund arrangement. Appendix 8 contains the Treasury Management Policy Statement for the Treasury Cash Fund which details the investment and counterparty limits for the Fund.

Debt Maturity Profile (January 2021)

Market Debt (non LOBO)

Start Date	Loan Type	Maturity Date	Principal Outstanding £	Interest Rate %	Annual Interest £
30/06/2005	M	30/06/2065	5,000,000.00	4.4	220,000.00
07/07/2005	M	07/07/2065	5,000,000.00	4.4	220,000.00
21/12/2005	M	21/12/2065	5,000,000.00	4.99	249,500.00
28/12/2005	M	24/12/2065	12,500,000.00	4.99	623,750.00
14/03/2006	M	15/03/2066	15,000,000.00	5	750,000.00
18/08/2006	M	18/08/2066	10,000,000.00	5.25	525,000.00
01/02/2008	M	01/02/2078	10,000,000.00	3.95	395,000.00
			62,500,000.00		

Market Debt (LOBO)

Start Date	Loan Type	Maturity Date	Principal Outstanding £	Interest Rate %	Annual Interest £
12/11/1998	M	13/11/2028	3,000,000.00	4.75	142,500.00
15/12/2003	M	15/12/2053	10,000,000.00	5.25	525,000.00
18/02/2004	M	18/02/2054	10,000,000.00	4.54	454,000.00
28/04/2005	M	28/04/2055	12,900,000.00	4.75	612,750.00
01/07/2005	M	01/07/2065	10,000,000.00	3.86	386,000.00
24/08/2005	M	24/08/2065	5,000,000.00	4.4	220,000.00
07/09/2005	M	07/09/2065	10,000,000.00	4.99	499,000.00
13/09/2005	M	14/09/2065	5,000,000.00	3.95	197,500.00
03/10/2005	M	05/10/2065	5,000,000.00	4.375	218,750.00
23/12/2005	M	23/12/2065	10,000,000.00	4.75	475,000.00
06/03/2006	M	04/03/2066	5,000,000.00	4.625	231,250.00
17/03/2006	M	17/03/2066	10,000,000.00	5.25	525,000.00
03/04/2006	M	01/04/2066	10,000,000.00	4.875	487,500.00
03/04/2006	M	01/04/2066	10,000,000.00	4.875	487,500.00
03/04/2006	M	01/04/2066	10,000,000.00	4.875	487,500.00
07/04/2006	M	07/04/2066	10,000,000.00	4.75	475,000.00
05/06/2006	M	07/06/2066	20,000,000.00	5.25	1,050,000.00
05/06/2006	M	07/06/2066	16,500,000.00	5.25	866,250.00
			172,400,000.00		

PWLB Start Date	Loan Type	Maturity Date	Principal Outstanding £	Interest Rate %	Annual Interest £
10/05/2010	A	10/05/2021	265,710.97	3.09	20,277.28
21/10/1994	M	15/05/2021	10,000,000.00	8.625	862,500.00
10/03/1995	M	15/05/2021	11,900,000.00	8.75	1,041,250.00
12/06/1995	M	15/05/2021	10,000,000.00	8	800,000.00
02/06/2010	M	02/06/2021	5,000,000.00	3.89	194,500.00
16/08/1994	M	03/08/2021	2,997,451.21	8.5	254,783.35
28/04/1994	M	25/09/2021	5,000,000.00	8.125	406,250.00
23/04/2009	M	23/04/2022	5,000,000.00	3.76	188,000.00
12/06/1995	M	15/05/2022	10,200,000.00	8	816,000.00
14/06/2010	M	14/06/2022	10,000,000.00	3.95	395,000.00
31/03/1995	M	25/09/2022	6,206,000.00	8.625	535,267.50
16/02/1995	M	03/02/2023	2,997,451.21	8.625	258,530.17
24/04/1995	M	25/03/2023	10,000,000.00	8.5	850,000.00
05/12/1995	M	15/05/2023	5,200,000.00	8	416,000.00
20/09/1993	M	14/09/2023	2,997,451.21	7.875	236,049.28
20/09/1993	M	14/09/2023	584,502.98	7.875	46,029.61
08/05/1996	M	25/09/2023	10,000,000.00	8.375	837,500.00
13/10/2009	M	13/10/2023	5,000,000.00	3.87	193,500.00
05/12/1995	M	15/11/2023	10,000,000.00	8	800,000.00
10/05/2010	M	10/05/2024	10,000,000.00	4.32	432,000.00
28/09/1995	M	28/09/2024	2,895,506.10	8.25	238,879.25
14/05/2012	M	14/11/2024	10,000,000.00	3.36	336,000.00
14/12/2009	A	14/12/2024	3,218,399.79	3.66	138,009.52
17/10/1996	M	25/03/2025	10,000,000.00	7.875	787,500.00
10/05/2010	M	10/05/2025	5,000,000.00	4.37	218,500.00
16/11/2012	M	16/05/2025	20,000,000.00	2.88	576,000.00
13/02/1997	M	18/05/2025	10,000,000.00	7.375	737,500.00
20/02/1997	M	15/11/2025	20,000,000.00	7.375	1,475,000.00
01/12/2009	A	01/12/2025	5,645,240.95	3.64	233,195.41
21/12/1995	M	21/12/2025	2,397,960.97	7.875	188,839.43
21/05/1997	M	15/05/2026	10,000,000.00	7.125	712,500.00
28/05/1997	M	15/05/2026	10,000,000.00	7.25	725,000.00
29/08/1997	M	15/11/2026	5,000,000.00	7	350,000.00
24/06/1997	M	15/11/2026	5,328,077.00	7.125	379,625.49
07/08/1997	M	15/11/2026	15,000,000.00	6.875	1,031,250.00
13/10/1997	M	25/03/2027	10,000,000.00	6.375	637,500.00
22/10/1997	M	25/03/2027	5,000,000.00	6.5	325,000.00
13/11/1997	M	15/05/2027	3,649,966.00	6.5	237,247.79
17/11/1997	M	15/05/2027	5,000,000.00	6.5	325,000.00
13/12/2012	M	13/06/2027	20,000,000.00	3.18	636,000.00
12/03/1998	M	15/11/2027	8,677,693.00	5.875	509,814.46

Finance and Resources Committee – 4 March 2021

06/09/2010	M	06/09/2028	10,000,000.00	3.85	385,000.00
14/07/2011	M	14/07/2029	10,000,000.00	4.9	490,000.00
14/07/1950	E	03/03/2030	2,401.26	3	77.73
14/07/2011	M	14/07/2030	10,000,000.00	4.93	493,000.00
15/06/1951	E	15/05/2031	2,460.69	3	79.10
06/09/2010	M	06/09/2031	20,000,000.00	3.95	790,000.00
15/12/2011	M	15/06/2032	10,000,000.00	3.98	398,000.00
15/09/2011	M	15/09/2036	10,000,000.00	4.47	447,000.00
22/09/2011	M	22/09/2036	10,000,000.00	4.49	449,000.00
10/12/2007	M	10/12/2037	10,000,000.00	4.49	449,000.00
08/09/2011	M	08/09/2038	10,000,000.00	4.67	467,000.00
15/09/2011	M	15/09/2039	10,000,000.00	4.52	452,000.00
06/10/2011	M	06/10/2043	20,000,000.00	4.35	870,000.00
09/08/2011	M	09/02/2046	20,000,000.00	4.8	960,000.00
23/01/2006	M	23/07/2046	10,000,000.00	3.7	370,000.00
23/01/2006	M	23/07/2046	10,000,000.00	3.7	370,000.00
19/05/2006	M	19/11/2046	10,000,000.00	4.25	425,000.00
07/01/2008	M	07/01/2048	5,000,000.00	4.4	220,000.00
24/03/2020	A	24/03/2050	14,805,473.94	1.64	241,201.58
26/03/2020	A	26/03/2050	4,933,603.76	1.49	73,012.36
27/01/2006	M	27/07/2051	1,250,000.00	3.7	46,250.00
16/01/2007	M	16/07/2052	40,000,000.00	4.25	1,700,000.00
30/01/2007	M	30/07/2052	10,000,000.00	4.35	435,000.00
13/02/2007	M	13/08/2052	20,000,000.00	4.35	870,000.00
20/02/2007	M	20/08/2052	70,000,000.00	4.35	3,045,000.00
22/02/2007	M	22/08/2052	50,000,000.00	4.35	2,175,000.00
08/03/2007	M	08/09/2052	5,000,000.00	4.25	212,500.00
30/05/2007	M	30/11/2052	10,000,000.00	4.6	460,000.00
11/06/2007	M	11/12/2052	15,000,000.00	4.7	705,000.00
12/06/2007	M	12/12/2052	25,000,000.00	4.75	1,187,500.00
05/07/2007	M	05/01/2053	12,000,000.00	4.8	576,000.00
25/07/2007	M	25/01/2053	5,000,000.00	4.65	232,500.00
10/08/2007	M	10/02/2053	5,000,000.00	4.55	227,500.00
24/08/2007	M	24/02/2053	7,500,000.00	4.5	337,500.00
13/09/2007	M	13/03/2053	5,000,000.00	4.5	225,000.00
14/10/2019	A	10/04/2053	107,942,304.56	2.69	2,945,254.44
12/10/2007	M	12/04/2053	5,000,000.00	4.6	230,000.00
05/11/2007	M	05/05/2057	5,000,000.00	4.6	230,000.00
15/08/2008	M	15/02/2058	5,000,000.00	4.39	219,500.00
25/01/2019	A	25/01/2059	2,655,284.60	2.65	71,164.31
11/06/2019	A	11/06/2059	1,253,893.84	2.23	28,303.54
01/10/2019	A	01/10/2059	1,320,070.03	1.74	23,276.17
02/10/2019	A	02/10/2059	39,309,771.67	1.8	716,907.89
05/11/2019	A	05/11/2059	7,048,165.68	2.96	210,742.68
28/11/2019	A	28/11/2059	1,289,237.57	3.03	39,453.89
02/12/2019	A	02/12/2059	2,775,526.71	3.03	84,938.05
20/01/2020	A	20/01/2060	1,965,263.65	1.77	35,246.97

Finance and Resources Committee – 4 March 2021

Start Date	Loan Type	Maturity Date	Principal Outstanding £	Interest Rate %	Annual Interest £
20/01/2020	A	20/01/2060	452,227.68	2.97	13,567.14
04/10/2019	M	04/04/2060	40,000,000.00	1.69	676,000.00
02/12/2011	M	02/12/2061	5,000,000.00	3.98	199,000.00
26/03/2020	M	26/03/2070	10,000,000.00	1.29	129,000.00
			1,041,667,097.03		

SPECIAL

Start Date	Loan Type	Maturity Date	Principal Outstanding £	Interest Rate %	Annual Interest £
07/01/2015	E	01/09/2021	78,957.14	0	0
31/03/2015	E	01/04/2023	450,724.35	0	0
22/09/2015	E	01/10/2023	131,879.82	0	0
29/03/2019	E	01/04/2029	118,981.81	0	0
08/10/2020	A	08/10/2045	60,000,000.00	2.613	1,556,590.56
			60,780,543.12		

Prudential Indicators

Indicator 1 – Capital Expenditure

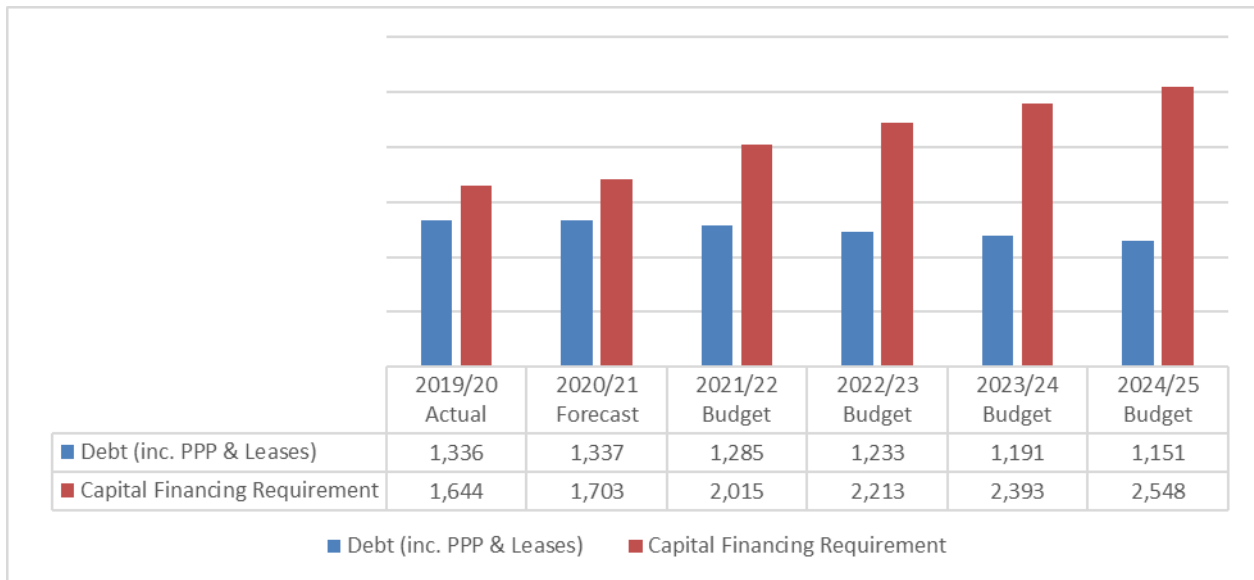|	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget
General Fund Services	227.619	378.312	163.622	110.620	141.880	113.367	91.726	114.943	78.380	60.356	55.212
General Fund On-lending	19.569	20.302	4.856	72.000	70.500	41.793	-	-	-	-	-
HRA - Council Housing	46.800	87.386	190.541	259.152	228.348	434.946	476.100	483.949	386.603	138.438	89.381
PPP and Similar Assets	11.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500

Indicator 2 – Ratio of Financing Cost to Net Revenue Stream

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Financing costs (£m) – General Fund Services	104,710	79,611	56,524	98,337	108,665	108,507
Proportion of net General Fund revenue stream	10.50%	7.42%	4.73%	8.77%	9.78%	9.85%
Financing costs (£m) – Housing Revenue Account	39,148	36,337	37,556	40,652	46,252	51,963
Proportion of net HRA revenue stream	37.65%	35.23%	35.89%	37.75%	41.00%	44.27%

Indicator 3 – Capital Financing Requirement

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
General Fund Services	1,135	1,190	1,467	1,528	1,543	1,559
HRA - Council Housing	395	395	413	551	649	723
NHT LLPs	94	80	76	72	68	64
Edinburgh Living LLPs	19	38	58	62	133	202

	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Debt (inc. PPP & Leases)	1,336	1,337	1,285	1,233	1,191	1,151
Capital Financing Requirement	1,644	1,703	2,015	2,213	2,393	2,548

Indicators 4 and 5 – Authorised limit and Operational Boundary for External Debt

	2020/21 Limit	2021/22 Limit	2022/23 Limit	2023/24 Limit	2024/25 Limit
Authorised Limit – Borrowing	2,088	2,566	2,891	2,831	2,725
Authorised Limit – PFI and Leases	256	248	242	235	229
Authorised Limit – Total External Debt	**2,344**	**2,814**	**3,133**	**3,066**	**2,954**
Operational Boundary – Borrowing	1,538	1,959	2,344	2,560	2,725
Operational Boundary – PFI and Leases	256	248	242	235	229
Operational Boundary – Total External Debt	**1,794**	**2,207**	**2,586**	**2,795**	**2,954**

Indicator 6 – Loans Charges associated with the net Capital Investment Expenditure Plans

INDICATOR 6	2020/21 Forecast £000	2021/22 Forecast £000	2022/23 Forecast £000	2023/24 Forecast £000	2024/25 Forecast £000
Loans Fund Pooled Interest Rate at Indicative 4%					
General Fund (excluding On-Lending) - New Loans Fund Advances					
Loans Fund Advances in year	54,798	213,187	62,268	55,388	73,159
Year 1 - Interest Only	1,111	4,323	1,263	1,123	2,191
Year 2 - Interest and Principal Repayment	3,188	12,401	3,622	3,222	5,938
HRA - New Loans Fund Advances					
Loans Fund Advances in year	14,226	33,084	154,067	118,448	97,870
Year 1 - Interest Only	288	754	3,509	2,698	2,229
Year 2 - Interest and Principal Repayment	828	2,043	9,512	7,313	6,042

The City of Edinburgh Council
Treasury Cash Fund
Treasury Management Policy Statement

Summary

The Council operates the Treasury Cash Fund on a low risk low return basis for cash investments on behalf of itself, Lothian Pension Fund and other associated organisations. This Policy Statement covers the type of investments which are permitted for monies held with the Cash Fund and should be read in conjunction with the Treasury Policy Statement for the City of Edinburgh Council.

Approved Activities

The activity undertaken in the management of cash balances and their investment in cash and near cash instruments. In undertaking this activity, the key objective is the security of the monies invested. Accordingly, the investment types and counterparty limits below represent a prudent attitude towards the instruments with which and the institutions with whom investment will be undertaken.

Treasury Management Strategy

The treasury management strategy for the cash fund is to ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks

Permitted Instruments

The Chief Financial Officer may invest monies in accordance with the Council's requirements only by using the following instruments:

(a)   Temporary deposit, Certificate of Deposit, collaterised deposit, structured deposit, commercial paper, floating rate note or Bonds with an approved institution of the Bank of England or with any other approved organisation for investment (see below)

(b)   UK Treasury Bills

(c)   Gilt-edged securities

(d)   Reverse Repurchase Agreements

(e)   Money Market Funds and Bond Funds

(f)   Debt Management Office's Debt Management Agency Deposit Facility

Limits on Investment

The approved limits on counterparties and investment types are as follows (where money limits and percentages are stated, the greater of the two should be applied):

(a)   DMO's DMADF, UK Treasury Bills and UK Gilts with no limit

(b)   UK local authorities up to a maximum of £50 million per authority.

(c)   other public bodies up to a maximum of £20 million per organisation.

(d)   The Council's bankers, where not otherwise permitted under (k) below, up to a limit of £20m on an overnight only basis other than when funds are received into the Council's bank account without pre-notification.

(e)   Money Market Funds with no limit in total but with no more than £30 million or 15% of the funds under management with any one Fund.

(f)   Bond Funds with no more than £20 million or 10% of the funds under management.

(g)   Supranational Bonds with a limit of £60 million or 20% of the fund in total.

(h)   financial institutions where the relevant deposits, CDs or Bonds are guaranteed by a sovereign government of AA or above up to a maximum of £60 million or 20 percent of the fund per institution for the duration of the guarantee in addition to the appropriate counterparty limit for the institution.

(i)   Local Authority Collateralised deposits up to a maximum of £30 million or 15 percent of the fund per institution up to a maximum of 5 years in addition to the appropriate counterparty limit for the institution.

(j)   Structured deposits up to a maximum of £20 million or 10 percent of the fund, subject to the appropriate counterparty limits for the institution also being applied.

(k)   financial institutions included on the Bank of England's authorised list under the following criteria:

Credit Rating	Banks Unsecured	Banks Secured	B. Socs. Unsecured	B. Socs. Secured
AAA	20% or £60m	20% or £60m	20% or £60m	20% or £60m
AA+	15% or £30m	20% or £60m	15% or £30m	20% or £60m
AA	15% or £30m	20% or £60m	15% or £30m	15% or £30m
AA-	15% or £30m	20% or £60m	10% or £20m	15% or £30m
A+	10% or £20m	15% or £30m	10% or £20m	10% or £20m
A	10% or £20m	15% or £30m	10% or £20m	10% or £20m
A-	10% or £20m	15% or £30m	5% or £10m	10% or £20m
BBB+	5% or £10m	5% or £10m	n/a	n/a
None	n/a	n/a	n/a	n/a

The credit ratings quoted in the above table are for the financial institution, instrument or security provided and are the lowest of the relevant long term ratings from the three main Credit ratings agencies, S&P, Moodys and Fitch.

Time Limits

In addition to the monetary limits above, the following maximum time limits will be placed on investments:

Category	Max. Time Limit
20% of Assets Under Management / £60m	5 Years
15% of Assets Under Management / £30m	1 Years
10% of Assets Under Management / £20m	6 months
5% of Assets Under Management / £10m	3 months

In addition to the above limits, no more than 25% of assets under management will have a maturity greater than 1 year.

In considering an investment, consideration is given to a wide range of information, not simply the credit ratings of the institution being considered. This will include financial information on the institution, relevant Credit Default Swaps and equity pricing data, and the general macro-economic, market and sector background. The investment risks and controls to mitigate those risks are outlined to the end of this document.

Policy on Delegation

The Treasury Cash Fund is operated under the Council's Treasury Policy Statement and the delegations are defined in that document.

Reporting Arrangements

This will include, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs. The Head of Finance will report to the Council as follows:

(a) A Treasury Strategy prior to the commencement of the financial year.

(b) A mid-term report during the financial year.

(c) A Treasury Annual Report as soon as practicable after the end of the financial year.

(d) Ad hoc reports according to need.

Type of Investment	Treasury Risks	Mitigating Controls
a. Deposits with the Debt Management Account Facility (UK Government) (Very low risk)	This is a deposit with the UK Government and as such counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months.	As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments.
b. UK Treasury Bills (Very Low Risk)	These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates unless held to maturity. Maturity at issue is only 1, 3 or 6 months so will be used mainly in the 1 to 3 month period to provide a high level of security but a better return than the DMADF in (a).	As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments.
c. UK Gilts (Very Low Risk)	These are marketable securities issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates unless held to maturity. There is a risk to capital if the Gilt needed to be sold, so should only be used on a hold to maturity basis as a proxy for a slightly longer maturity Treasury Bill	As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments. Would only be used on a hold to maturity basis at the very short end of the yield curve.
d. Deposits with other local authorities or public bodies (Very low risk)	These are considered quasi UK Government debt and as such counterparty risk is very low, and there is no risk to value.	Little mitigating controls required for local authority deposits, as this is a quasi UK Sovereign Government investment.
e. Money Market Funds (MMFs) (low/medium risk)	Pooled cash investment vehicle which provides short term liquidity.	Funds will generally be used to provide liquidity for the Cash Fund.
f. Bond Funds (low/medium risk)	AAA Rated Pooled cash investment vehicle investing in a range of Government, Financial Institutions and Government Bonds.	Fairly liquid vehicle investing in Bonds with a high average credit rating, will only be used for a relatively small proportion of the fund.
g. Call account deposit accounts with financial institutions (banks and building societies) (Risk is dependent on credit rating)	These tend to be moderately low risk investments, but will exhibit higher risks than the categories (a) to (d) above. Whilst there is no risk to value with these types of investments, liquidity is high and investments can be returned at short notice. These will be used to provide the primary liquidity source for Cash Management	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.
h. Term deposits with financial institutions (banks and building societies) (Low to medium risk depending on period & credit rating)	The risk on these is determined, but will exhibit higher risks than categories (a) to (d) above. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.
i. Certificates of deposits with financial institutions (risk dependent on credit rating)	These are short dated marketable securities issued by financial institutions and as such counterparty risk is low, but will exhibit higher risks than categories (a) to (d) above. There is risk to value of capital loss arising from selling ahead of maturity if combined with an adverse movement in interest rates. Liquidity risk will normally be low.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.
j. Structured deposit facilities with banks and building societies (escalating rates, de-escalating rates etc.) (Low to medium risk depending on period & credit rating)	These tend to be medium to low risk investments, but will exhibit higher risks than categories (a) to (d) above. Whilst there is no risk to value with these types of investments, liquidity is very low and investments can only be broken with the agreement of the counterparty (penalties may apply).	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.

Finance and Resources Committee – 4 March 2021

k. Bonds (Low to medium risk depending on period & credit rating)	This entails a higher level of risk exposure than gilts and the aim is to achieve a higher rate of return than normally available from gilts. They do have an exposure to movements in market prices of assets held.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, on a hold to maturity basis. Bonds may also carry an explicit Government Guarantee.
l. Floating Rate Notes (Low to medium risk depending on credit rating)	These are Bonds on which the rate of interest is established periodically with reference to short term interest rates.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. Will be used in an increasing interest rate environment but only for a limited proportion of the portfolio.
m. Commercial Paper (Low to medium risk depending on credit rating)	These are short term promissory notes issued at a discount par. They entail a higher level of risk exposure than gilts and the aim is to achieve a higher rate of return than normally available from gilts. They do have an exposure to movements in market prices of assets held.	The counterparty selection criteria approved above restricts lending only to high quality counterparties, on a hold to maturity basis. They are relatively short maturity.
n. Secured Investments (relatively low risk due to dual recourse)	These include Reverse Purchase Agreements (Repo) and Covered Bonds issued by banks and building societies.	Both Repo and Covered Bonds provide opportunities to lower credit risk by having any exposure supported by an enhanced level of high quality collateral such as Gilts in the case of Repo. The lower credit risk is reflected in the Cash Fund being able to invest larger % or value amounts as shown in the criteria for financial institutions in (k).

The City of Edinburgh Council
Treasury Management Policy Statement

Summary

The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services. As part of the adoption of that code, the Council agreed to create and maintain, as the cornerstones for effective treasury management:

- a Treasury Management Policy Statement (TMPS), stating the policies and objectives of its treasury management activities; and

- suitable Treasury Management Practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

This document outlines the Council's Treasury Management Policy Statement which provides a framework for the Council's treasury management activities. Any reference in the Treasury Policy Statement to the Chief Financial Officer should be taken to be any other officer to whom the Chief Financial Officer has delegated his powers.

Approved Activities

The Council defines its treasury management activities as:

> "The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

Subject to any legal restrictions, this definition covers the following activities:

- arranging, administering and managing all capital financing transactions

- approving, arranging and administering all borrowing on behalf of the Council

- cash flow management

- investment of surplus funds

- ensuring adequate banking facilities are in place, negotiating bank charges, and ensuring the optimal use by the Council of banking and associated facilities and services

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.

The Council also acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Treasury Management Strategy

The treasury management strategy for the cash fund is to:

- Secure both capital and revenue funding at the lowest cost in the medium term; and

- ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks

Approved Sources of Finance

Finance will only be raised in accordance with legislation and within this limit the Council has a number of approved methods and sources of raising capital finance. No other instrument other than those listed below may be used

Bank Overdraft

Temporary Loans

Loans from the Public Works Loan Board

Loans from the European Community institutions

Long-Term Market Loans

Bonds

Stock Issues

Negotiable Bonds

Internal (Capital Receipts and Revenue Balances)

Commercial Paper

Medium Term Notes

Finance and Operating Leases

Deferred Purchase Covenant Agreements

Government and European Community Capital Grants

Lottery Monies

Public and Private Partnership funding initiatives

Permitted Instruments

Where possible the Head of Finance, the Council's Statutory Section 95 Chief Financial Officer, will manage all of the Council's temporary surplus funds together and invest them using the Council's Treasury Cash Fund. The investment restrictions contained in the Treasury Cash Fund Policy Statement therefore apply to the City of Edinburgh Council's monies.

However small operational balances will need to be retained with the Council's bankers, and in other cases – such as devolved schools – relatively small investment balances may be operated locally. Some allowance for temporary deposits has therefore been made.

In addition, the Council has some non-cash investment types and these are also included in the Policy Statement.

The Head of Finance, as the Council's Statutory Chief Financial Officer, may invest monies in accordance with the Council's requirements only by using the following instruments:

(a) Temporary deposit with an approved institution of the Bank of England or with any other approved organisation for investment (see below)

(b) Money Market Funds

(c) Debt Management Office's Debt Management Agency Deposit Facility

(d) Investment Properties

(e) Loans to Other Organisations

(f) Investment in share capital of Council Companies and Joint Ventures

(g) Loans (including mezzanine debt) to / investment in the Loan Stock of Council Companies and LLPs

(h) Investment in Shared Equity Housing Schemes

(i) Investment in the Subordinated Debt of projects delivered via the "HubCo" model

Approved Organisations for Investment

The approved counterparty limits are as follows:

(a) The Council's bankers with no limit.

(b) DMO's DMADF with no limit.

(c) AAA Money Market Funds with no limit.

(d) financial institutions on the Bank of England's authorised list where the lowest of their long term rating from the three main Credit ratings agencies, S&P, Moody's and Fitch, equivalent to A- or above up to a maximum of £10 million per institution.

(e) building societies where the lowest of their long term rating from the three main Credit ratings agencies, S&P, Moody's and Fitch, equivalent to A- or above up to a maximum of £5 million per institution.

(f) Subordinated debt of projects delivered via "HubCo" model up to a maximum of £1 million.

In addition, there is no explicit limit at present for the non-cash investment types. However, it is anticipated that each specific investment of these types would be reported individually to Council and a full list of them will be contained in the Treasury Annual Report.
The investment risks and controls to mitigate those risks are outlined to the end of this document.

Policy on Delegation
Responsibility for the implementation and regular monitoring of the Council's treasury management policies and practices is retained by the Council.

The Council delegates responsibility for the execution and administration of Treasury Management decisions to the Head of Finance, as the Statutory Section 95 Chief Financial Officer, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

The Council nominates the Governance, Risk and Best Value Committee to be responsible for the ensuring effective scrutiny of the treasury management strategy and policies.

Reporting Arrangements

This will include, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs. The Head of Finance will report to the Council as follows:

(a) A Treasury Strategy prior to the commencement of the financial year.

(b) A mid-term report during the financial year

(c) A Treasury Annual Report as soon as practicable after the end of the financial year..

(d) Ad hoc reports according to need.

Type of Investment	Treasury Risks	Mitigating Controls
a. Deposits with the Debt Management Account Facility (UK Government) (Very low risk)	This is a deposit with the UK Government and as such counterparty and liquidity risk is very low, and there is no risk to value. Deposits can be between overnight and 6 months.	As this is a UK Government investment the monetary limit is unlimited to allow for a safe haven for investments.
b. Money Market Funds (MMFs) (low/medium risk)	Pooled cash investment vehicle which provides short term liquidity.	Funds will generally be used to provide liquidity for the Cash Fund.
c. Call account deposit accounts with financial institutions (banks and building societies) (Risk is dependent on credit rating)	These tend to be moderately low risk investments, but will exhibit higher risks than the category (a) above. Whilst there is no risk to value with these types of investments, liquidity is high and investments can be returned at short notice. These will be used to provide the primary liquidity source for Cash Management	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence
d. Term deposits with financial institutions (banks and building societies) (Low to medium risk depending on period & credit rating)	The risk on these is determined, but will exhibit higher risks than category (a) above. Whilst there is no risk to value with these types of investments, liquidity is low and term deposits can only be broken with the agreement of the counterparty, and penalties may apply	The counterparty selection criteria approved above restricts lending only to high quality counterparties, measured primarily by credit ratings from Fitch, Moody's and Standard and Poors. On day to day investment dealing with this criteria will be further strengthened by the use of additional market intelligence.
e. Investment properties	These are non-service properties which are being held solely for a longer term rental income stream or capital appreciation. These are highly illiquid assets with high risk to value (the potential for property prices to fall).	Property holding will be re-valued regularly and reported annually with gross and net rental streams.
f. Loans to third parties, including soft loans	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit substantial credit risk and are likely to be highly illiquid.	Each third party loan requires Member approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default.
g. Loans to a local authority company or LLP	These are service investments either at market rates of interest or below market rates (soft loans). These types of investments may exhibit significant credit risk and are likely to be highly illiquid. In the case of mezzanine loans, these are specifically to ensure that the LLPs tasked with delivering Council objectives do so within State Aid rules	Each loan to a local authority company requires Member approval and each application is supported by the service rational behind the loan and the likelihood of partial or full default. The Council and Scottish Government (via the SFT) are participants in and party to the governance and controls within the project structure. Strict viability tests to ensure long term financial security are completed before any funds are advanced to the LLP.
h. Shareholdings in a local authority company	These are service investments which may exhibit market risk and are likely to be highly illiquid.	Each equity investment in a local authority company requires Member approval and each application will be supported by the service rational behind the investment and the likelihood of loss.
i. Investment in Shared Equity Schemes	These are service investments which exhibit property market risk and are likely to be highly illiquid, with funds tied up for many years.	Each scheme investment requires Member approval and each decision will be supported by the service rational behind the investment and the likelihood of loss.
j. Investment in the Subordinated Debt of projects delivered via the "Hubco" model	These are investments which are exposed to the success or failure of individual projects and are highly illiquid	The Council and Scottish Government (via the SFT) are participants in and party to the governance and controls within the project structure. As such they are well placed to influence and ensure the successful completion of the project's term

Finance and Resources Committee – 4 March 2021

This page is intentionally left blank

Governance, Risk and Best Value Committee

10.00am, Tuesday, 23 March 2021

Change Portfolio

Executive/routine	Executive
Wards	
Council Commitments	

1.   Recommendations

1.1   The Governance, Risk and Best Value Committee is recommended to note the status of the Council's Portfolio of significant projects.

Andrew Kerr
Chief Executive

Contact: Emma Baker, Change and Delivery Manager
Strategy and Communications Division, Chief Executive's Service
E-mail: Emma.Baker@edinburgh.gov.uk

Report

Change Portfolio

2. Executive Summary

2.1 The Change Board which is a specific meeting of the Corporate Leadership Team (CLT), reports on a six-monthly cycle to the Governance, Risk and Best Value (GRBV) Committee. In doing so, the Committee receives an overview of strategic delivery and the associated risks and issues managed within the Council's Change Portfolio of major programmes and projects.

2.2 As a direct consequence of the global COVID-19 pandemic and the necessary focus on incident management and response, there has been a pause in reporting of the Change Portfolio, with no report being submitted to the Committee in June 2020. This report therefore reinstates the six-monthly reporting to GRBV Committee following the recommencement of the Change Board.

2.3 Appendix 1 contains:

- the dashboard with the status of projects within the portfolio as at the end of February 2021; and,

- those projects which are currently assessed as red and their supporting narrative with remedial action.

2.4 Further work is now underway to align the Change Portfolio with the recently approved Council Business Plan.

3. Background

3.1 Since the last report in December 2019 the Change Portfolio has continued to report to the Change Board with a pause over the summer months to focus resources on pandemic incident management and response. A number of projects contained within the portfolio have been impacted by the pandemic, particularly until more was known around restrictions and implications for living and working with COVID-19, including for Council services.

3.2 CLT have returned to monthly monitoring of the overall shape and size of the portfolio and the associated risks and issues. This includes managing resource allocation; tracking project delivery and ensuring that programme benefits are delivered.

3.3 The Change and Delivery team within Strategy and Communications has been supporting the Adaptation and Renewal programme, which the Change Portfolio is now aligned with. Further work will be progressed to ensure alignment of the portfolio to key Business Plan deliverables.

4. Main report

Change Portfolio Progress Update

4.1 Currently there are 37 active projects split across the Adaptation and Renewal programme Officer Working Groups which are reported into the Change Portfolio. This report covers the current programmes and projects in the portfolio and recognises the need to include key deliverables for the Business Plan moving forward.

4.2 Appendix 1 shows the current status of each of these projects which are reported to the Change Board on a monthly basis via a dashboard reporting format. The format covers project overview, key risks, assumptions, issues and dependencies and flags resourcing gaps.

4.3 Each month the red status projects are discussed, and actions are agreed where required to ensure the project can continue to progress and deliver the financial and non-financial benefits as described at the outset of the project.

4.4 Appendix 1 further details the 5 out of 37 projects which have been reported as red this month with mitigating actions described, these are as follows:

- Early Years Programme;
- Committee Management System;
- North Bridge Refurbishment;
- Edinburgh Leisure – Sports Facilities in Schools; and,
- Edinburgh St James – GAM Agreement.

Alignment with Council Business Plan: "Our Future Council, Our Future City"

4.5 Future programmes and projects which are to join the Change Portfolio will focus on Business Plan deliverables and outcomes. Work is currently underway to align the Business Plan with both the Change Board portfolio and the new planning and performance framework.

4.6 In this way, the Corporate Leadership Team will oversee operational delivery of projects in two ways. Firstly, they will review project delivery at the Change Board on a monthly basis and secondly, they will monitor delivery against actions and annual plans on a regular basis through the new planning and performance framework, which will be presented to a future meeting of the Policy and Sustainability Committee.

4.7   The Change Portfolio will also become more integrated with the reporting of budget monitoring for approved savings, pressure mitigations and investment decisions, to ensure these are tracked effectively.

5.   Next Steps

5.1   This report be brought before the GRBV Committee again in six months. By this time the portfolio will have been fully aligned with the Business Plan and the Planning and Performance Framework.

5.2   A deep dive on a specific project will also be brought to the Committee for consideration as occurred in previous reporting cycles.

6.   Financial impact

6.1   There are no specific financial impacts of this report, other than those contained in the detail of individual projects. The financial impacts of significant change are also be reported through the revenue and capital monitoring process. The purpose of the pack is to give a holistic overview of all the significant change activity in the Council, so we can direct resources accordingly.

7.   Stakeholder/Community Impact

7.1   Consultation and engagement activities, either internally or externally, are carried out within individual projects and is addressed in separate reports to Council or committee.

8.   Background reading/external references

8.1   Change Portfolio Report December 2019

8.2   Council Business Plan and Budget 2021/26 Report

9.   Appendices

9.1   Appendix 1 – Dashboard Programme and Project Status to the end of February 2021
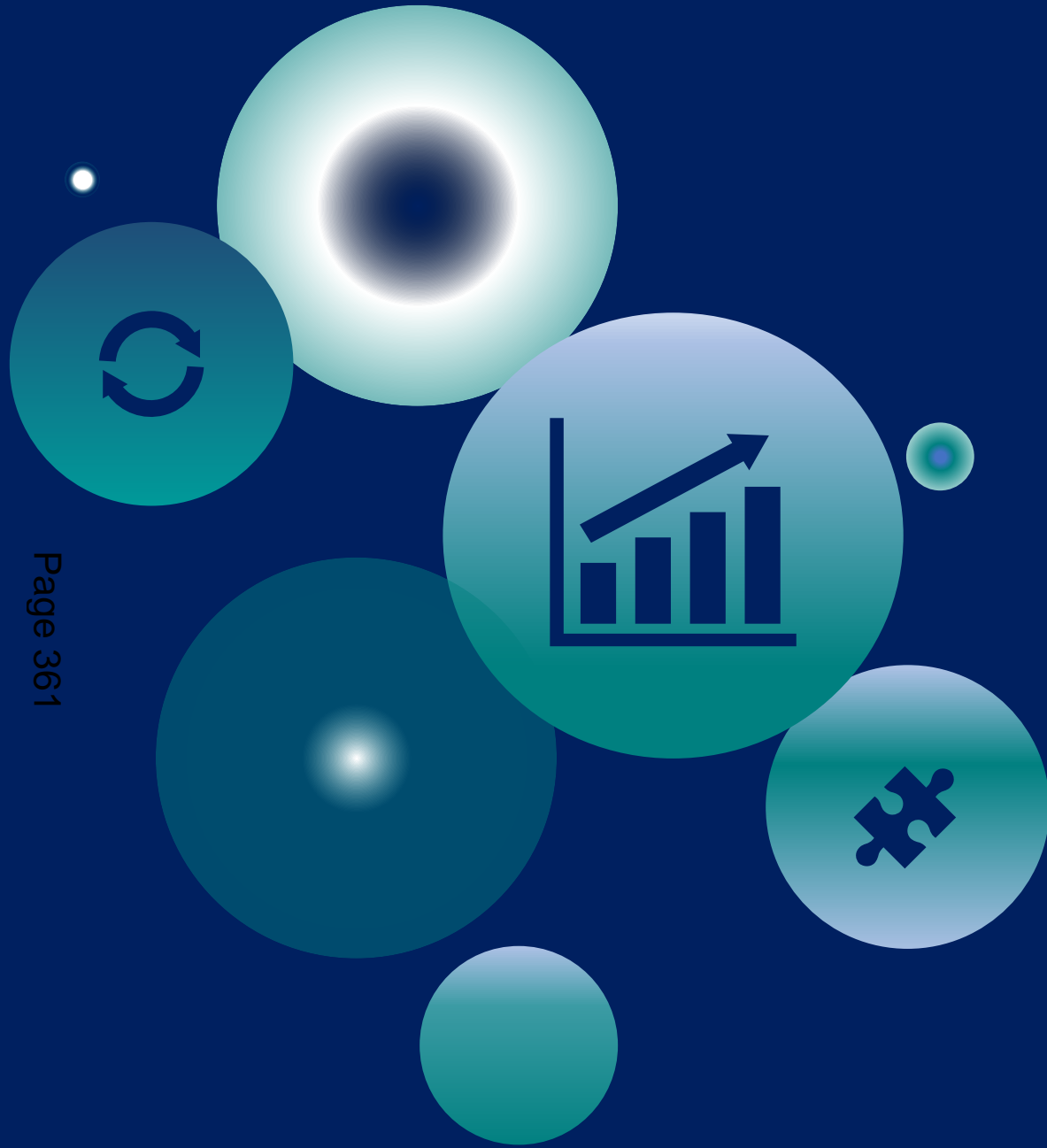
Appendix 1:
Change Portfolio

February 2021

Portfolio Update: Dashboard - February 2021

37
Projects

10
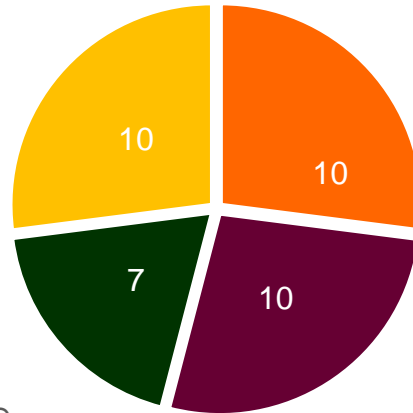Sustainable Economic Recovery

10
Life Chances

7
Change, People & Finance

10
Service Operations

PROJECTS BY A&R WORKSTREAM

- Service Ops — 10
- Life Chances — 10
- Change, People & Finance — 7
- Economic Recovery — 10

*In January **41 projects** made up the portfolio this is now **37 projects** due to streamlining with 1 new project added - Libraries Strategic review.*

PROJECT RAG STATUS

	Red	Amber	Green	Blue	Grey
FEB-21	5	24	8	1	
JAN-21	5	23	11	1	4

- 0
- 0
- -3
- 0
- -4
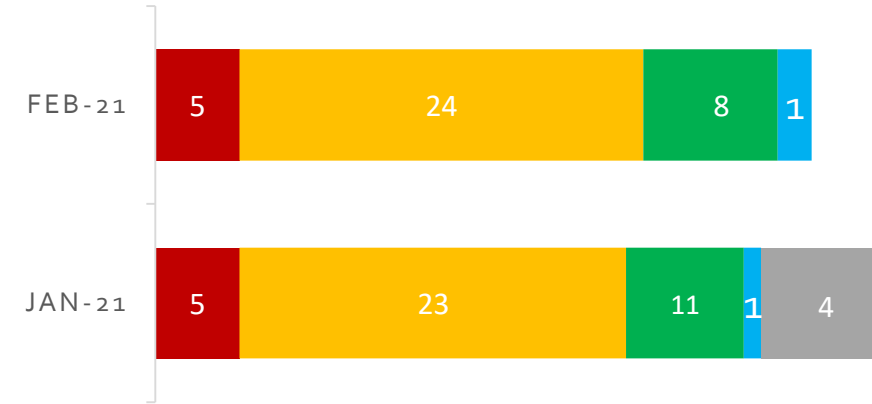
PROJECTS REPORTING RED_5

Early Years Programme

Edinburgh Leisure

Committee Mgt System

St James – GAM Agreement

North Bridge Refurbishment

PROJECTS TO CLOSE_ 1

Fleet Service Review

PROJECTS WITH NIL RETURN

N/A

2

Portfolio Update: Dashboard - February 2021 (37 projects currently reporting)

Sustainable Economic Recovery

Project	Jan	Feb	Theme
National Housing Trust	Amber	Green	CC
10,000 Homes	Amber	Amber	CC
St James - GAM	Red	Red	CC
Meadowbank Redevelopment	Amber	Amber	CC
Tram Extension	Green	Green	CC
Fountainbridge	Amber	Amber	CC
Granton Waterfront	Amber	Amber	CC
SE Scot City Regional Deal	Green	Green	CC
21st Century Homes	Green	Green	CC
CCT – George Street	Green	Green	CC

Life Chances

Project	Jan	Feb	Theme
Early Year Programme	Amber	Red	CC
New Queensferry HS	Amber	Amber	CC
New St Crispin's SS	Grey	Amber	CC
New Broomhills PS	Amber	Amber	CC
New Victoria PS	Green	Green	CC
New South Edinburgh PS	Amber	Amber	CC
New Craigmillar High School	Grey	Amber	CC
Replacement Currie High School	Amber	Green	CC
Bangholm Sports Centre, Trinity Academy	Grey	Amber	CC
LAAC File Review	Red	Amber	MAN

Change, People & Finance

Project	Jan	Feb	Theme
Digital Service Partnership Savings	Green	Green	TRM
ERP	Amber	Amber	TRM
Customer Digital Multi-Channel	Amber	Amber	TRM
Your Pay, Your Benefits	Amber	Amber	TRM
Asset Condition	Amber	Amber	ES
Committee Management	Red	Red	ES
Business Intelligence	Amber	Amber	ES

Service Operations

Project	Jan	Feb	Theme
Building Standards	Amber	Amber	TRM
Communal Bin Review	Amber	Amber	TRM
Housing Service Improvement Project	Amber	Amber	TRM
Depots and Yards	Green	Green	TRM
Edinburgh Leisure	Red	Red	ES
Street Lighting (EESLP)	Amber	Amber	CC
North Bridge Refurbishment	Red	Red	MAN
Travel Demand Mgmt.	Amber	Amber	ES
Culture Service Review	Amber	Amber	ES
Libraries Service	Grey	Amber	CC

TRM – Transformation/Change
ES – Efficiencies Savings
MAN - Mandatory/Risk
CC – Council Commitments

Page 363

3

RAG status guidelines: the following RAG guidance is provided to project SROs

RED	Amber	Green	Blue
- The project requires immediate remedial action to achieve objectives - The timeline/cost/objectives are at risk - Significant obstacles or issues prevent the work team and consequently the programme from meeting plans - Even with corrective action, expected action may be insufficient to ensure outcomes/ benefits are met 2 or more projects / workstreams are RED 2 or more risks or issues are red	- The project has a problem but action is being taken to resolve this , or - The project has a potential problem that has been identified and no action may be taken at this time but it is being carefully monitored - Some obstacles or issues put the work team at risk of meeting plans - Outcomes/ benefits likely to be achieved but action must be taken quickly 1 - 3 projects / workstreams are AMBER 0 to 2 projects / workstreams are AMBER 2 or more risks or issues are RED	- The project is on target to succeed. - Face only minor obstacles, if any - High confidence in ability to implement plans - No issues are threatening the outcomes or benefits 0 to 1 projects / workstreams are AMBER - No projects / workstreams are RED - No risks or issues are RED	Project delivered, but needs to complete a formal close report to remove from the Portfolio

Portfolio Update: Projects Reporting RED in February

Project	Date First reported Red	SRO	Description	Mitigating Actions
Early Years Programme	Feb 2021	Andy Gray	Five nurseries due to be constructed over the next year have now potentially delayed due to COVID-19 and the contractor going into administration. The contracts have been put out to tender again but due to current market conditions the build costs have come back higher than the original budget.	• Programme Board meet to discuss the issue and are progressing a number of actions including exploring further procurement options, working with Cost Advisors to review the new build costs and pursuing potential additional funding sources including the Scottish Government • This potential delay does not affect the providing of 1140 hours from August 2021.
Committee Management System	May 2020	Gavin King	Inability to live test or roll out system further due to remote working because of COVID-19 and "Stay at Home" legislation currently in place.	• Testing and roll out halted due to requirement for a high degree of on premise and face to face problem solving, training and IT support. • Limited build work will continue in the interim.
North Bridge Refurbishment	July 2020	Gareth Barwell	Site shutdown due to COVID-19 earlier in the year together with the current impact upon site work due to constraints with social distancing measures and PPE requirements have caused a timeline delay. Also inspections thus far in the north and centre spans have uncovered significantly worse conditions in relation to the concrete deck and steelwork with cast iron facades, significant time and cost impacts are being encountered.	• At Full Council on 18/02/21 approval was given to additional funding totalling £14.131 to meet the emerging cost pressures and the impact of COVID-19, taking the total approved budget to £36.42m. • The project end date has been moved from September 2020 to May 2023 and the project status should now move out of red next month.

Portfolio Update: Projects Reporting RED in February

Project	Date First reported Red	SRO	Description	Mitigating Actions
Edinburgh Leisure – Sports Facilities in Schools	Nov 2020	Gareth Barwell	Over 2020 and into 2021 the normal income from letting schools for sports has not be received due to the restrictions.	• Following the recent announcement from the Scottish Government about the Route map out of lockdown, community access to outdoor school pitches could return after the Easter school holidays. • COVID-19 budget pressures are currently being managed through funding from Scottish Government. • The Council Business Plan sets out the way forward integrate the Schools Community Access Project with the wider Edinburgh Leisure relationship. The response to Covid-19 will undoubtedly mean that Edinburgh Leisure will need to realign its core business due to financial pressures and changes in customer demand. However, we need to make sure that any changes assist those people in poverty and improve the well-being of the city's residents.
Edinburgh St James – GAM Agreement	Nov 2020	Paul Lawrence	Ongoing discussions relating to accessibility in some areas. This may result in delay to work which is required to complete the public realm. Rateable value for Centre to be lower than assumed in the business case as result of COVID-19 and changes in retail environment.	• The Council is continuing to discuss options with the Developer. • Discussions are also being held with Scottish Government on the Economic Targets.

Governance, Risk, and Best Value Committee

10.00am, Tuesday, 23 March 2021

Corporate Leadership Team Risk Register as at 23 February 2021

Item number	
Executive/routine	Executive
Wards	
Council Commitments	

1. Recommendations

1.1 It is recommended that the Committee:

1.2 notes the Council's current strategic risk profile;

1.3 notes that six strategic risks are currently outwith agreed risk appetite ranges, mainly due to the ongoing impacts of the Covid-19 pandemic; notes that the current strategic risk profile is likely to increase in the event of further individual or concurrent resilience events in the current Covid-19 operating environment; and,

1.4 notes progress with the design and implementation of the refreshed operational risk management framework.

Andrew Kerr
Chief Executive

Contact: Lesley Newdall, Senior Audit and Risk Manager
Legal and Risk Division, Resources Directorate
E-mail: lesley.newdall@edinburgh.gov.uk | Tel: 0131 469 3216

•EDINBVRGH•
THE CITY OF EDINBURGH COUNCIL

Report

Corporate Leadership Team Risk Register as at 23 February 2021

2. Executive Summary

2.1 The purpose of this paper is to present the Council's current strategic risk profile, and highlight those risks where further action is required (where realistic and possible) to ensure that they are brought within approved strategic risk appetite levels.

2.2 It is important to note that this paper currently presents a 'top down' Corporate Leadership Team (CLT) view of the Council's current strategic risk profile.

2.3 5 of the Council's 11 strategic risks are currently outwith approved risk appetite ranges, mainly due to the ongoing impacts of Covid-19, with Health and Safety (including public safety) remaining the most significant current risk for the Council, which continues to be assessed as critical.

2.4 The Council's financial and budget management risk has decreased from critical to moderate, reflecting the Council's ability to deliver a balanced outturn for 2021/22, and a balanced budget for 2022/23, whilst there have been increases in the programme and project delivery; technology and information; and regulatory and legislative compliance current risk assessments.

2.5 This paper also highlights that the Council's current strategic risk profile is likely to further increase in the event that 5 (potentially likely) resilience events occur either individually or concurrently in the current Covid-19 operating environment. This outcome is based on the consolidation of individual assessments performed by each Council directorate.

2.6 Good progress is evident with the design and implementation of the Council's refreshed operational risk management framework in line with the Azets 2019/20 internal audit recommendations and the implementation plan detailed in the Operational Risk Management Framework paper presented to the Committee in November 2020.

3. Background

Covid-19 impacts

3.1 Quarterly CLT and Directorate risk committees were paused during Covid-19 to enable focus on the Council's Covid-19 resilience response. Both CLT and Directorate risk quarterly committees have now been reinstated.

3.2 Appropriate risk management arrangements have been established to support ongoing identification; assessment; recording; and management of the new Covid-19 risks faced by the Council. These new risks are recorded together with mitigating actions in the Covid-19 Risk Management Plan (RMP) that is regularly reviewed and refreshed and presented monthly to the Council's Incident Management Team (CIMT) for review and discussion.

Refreshed Operational Risk Management Framework

3.3 Plans for the phased implementation of the Council's refreshed operational risk management framework across the next three years were also presented to GRBV in November 2020. This report highlighted the need to implement the following actions to ensure effective alignment with the 'Three Lines' model:

3.3.1 ensure that all relevant strategic; operational; and thematic risks flow effectively and consistently through relevant risk registers and into the CLT risk register;

3.3.2 implement a refreshed thematic risk hierarchy that supports assessment and identification of the Council's most significant original (inherent) and current (residual) risks for inclusion in the CLT risk register by consolidating lower level sub-risks across directorates and divisions using a simple scoring methodology; and,

3.3.3 further embed risk appetite by adopting target risk as a proxy for setting risk appetite at a more granular level; discussing and assessing target risk at divisional, directorate and CLT risk and assurance committees; and recording target risks (where possible) in risk registers.

Directorate and Divisional Risk Registers

3.4 Following the Risk Management Review recently performed by Azets, Directorate and CLT risk registers will be updated on an ongoing basis to reflect new and emerging risks escalated from divisions and directorates and more widely across the Council in line with refreshed operational risk management process by June 2021.

3.5 Whilst Directorate and divisional 'business as usual' operational risk registers require to be updated in line with the Azets' audit recommendations, the Council's most current significant risks have also been recorded and are currently managed through the Covid-19 RMP; Adaptation and Renewal; and the refreshed CLT risk registers.

Refreshed Risk Management Arrangements

3.6   The Council's Enterprise Risk Management Policy (ERMP) and Risk Appetite Statement were refreshed and approved by the Policy and Sustainability Committee in October 2020, and presented to the Governance, Risk, and Best Value (GRBV) Committee in November 2020.

4.   Main report

Current Strategic Risk Profile

4.1   As noted above, this paper currently presents a 'top down' Corporate Leadership Team (CLT) view of the Council's current strategic risk profile. Refreshed risk hierarchies; risk accumulation; and escalation processes that will support combined 'top down' (CLT) and 'bottom up' (service delivery; Divisional; and Directorate) reporting are currently being designed, and will be implemented as part of the refreshed operational risk management framework. Consequently, there may be some risk exposures across the Council that have not been reflected in this current assessment of the Council's most significant risks.

4.2   Details of strategic risk descriptions and their potential impacts are included at Appendix 1.

4.3   A summary of the Council's current strategic risk profile, and its movement in comparison to quarter 3, is included at Appendix 2. This assessment includes all current Covid-19 strategic risks; Adaptation and Renewal Programme risks; and other relevant current risks identified by the CLT, and is based on management's view of the effectiveness of thematic controls established to manage these risks, and consideration of relevant assurance outcomes.

4.4   The current strategic risk profile highlights that five strategic risks (health and safety; resilience; technology and information; governance and decision making; and regulatory and legislative compliance) are presently outwith approved risk appetite ranges. This is mainly due to the ongoing impacts of Covid-19, with the remaining six risks being within the set risk appetite range. Supporting rationale for those risks outwith appetite is noted below, and details of actions currently being taken (where possible) to address these risks is also included at Appendix 2.

4.5   The current strategic risk heatmap included at Appendix 3 illustrates the significance of each of the Council's eleven strategic risk, and confirms that the Council's most significant current risks are health and safety (including public safety); strategic delivery; and resilience.

4.6   The rationale supporting the current risk assessment ratings for the Council's eleven strategic risks currently is detailed below, together with their current risk ratings (critical ● ; high ● ; moderate ● ; low ●) and confirmation of whether they are currently within (⬌) or out with (⬍) agreed risk appetite ranges:

4.6.1 🟠 ↔ **Strategic delivery** – the Medium rated current strategic delivery risk assessment reflects the ongoing impacts of Covid-19, as it is not yet possible to determine when the Council and the City will return to a normal operating environment. Consequently, the Council continues to prioritise the safety of employees and citizens whilst continuing to deliver vital services during the pandemic, and it is acknowledged that this could potentially impact progress with strategic delivery.

4.6.2 The Council has clearly defined its post Covid-19 strategy with finalisation of approval of the new 3-year Council Business Plan, Revenue and Capital Budget, and the Digital and Smart City strategy; and is currently refreshing the People Strategy, Strategic Workforce Plan and the underpinning Planning and Performance Framework to support ongoing progress monitoring of key strategic deliverables when focus can be directed to support their delivery. This is in addition to considering all potential opportunities for service and operational redesign as part of the Adaptation and Renewal programme.

4.6.3 🟠 ↔ **Financial and budget management** – the Medium rated financial and budget management current risk assessment reflects that, whilst it is not yet possible to fully determine final Covid-19 financial costs and the extent to which these costs can be recovered, the Council has confirmed that a balanced outturn can be achieved for 2020/21, and a balanced budget for 2021/22. It is acknowledged that ongoing focus is required to address the Council's 2022/23 and longer-term financial position, and to ensure that forecast timeframes for both revenue and capital budgets are more closely aligned.

4.6.4 Additionally, positive assurance on the future financial feasibility of arms-length external organisations (ALEOs) (for example, Transport for Edinburgh and Edinburgh Leisure) that normally have a significant financial impact on the Council has been confirmed, and processes established to support ongoing monitoring of their respective financial positions.

4.6.5 🔴 ↔ **Programme and project delivery** – the High rated programme and project delivery current risk assessment mainly reflects the Covid-19 impacts on delivery of major projects as a number of these were put on hold as part of the Council's pandemic response. Additionally, extended delivery timeframes and costs associated with capital projects that were paused during the March 2020 lockdown are reflected in this risk assessment.

4.6.6 Actions in progress to mitigate these risks include consolidation of all major projects (including the capital programme) into the Adaptation and Renewal Programme, and ongoing review by the CLT to ensure that all projects being delivered across the Council remain aligned with the Council's business plan.

4.6.7 This risk assessment also reflects the requirement to address assurance outcomes highlighting the need to consistently and effectively manage first line projects delivered outwith the major projects portfolio.

4.6.8 ● ⬇**Health and safety (including public safety**) - the Critical current health and safety risk is directly attributable to the impacts of Covid-19 and reflects a number of the risks included in the Covid-19 risk management plan that relate to the health, safety, and wellbeing of citizens living in the City and / or in Council care, and our employees. This risk also reflects the potential impacts of both local and national decisions implemented to manage the Covid-19 infection rate.

4.6.9 A significant number of mitigations have been implemented to address this risk (for example resident and employee testing in care homes; implementation of social distancing measures and deep cleaning across open Council buildings; increased support provided to homeless citizens; out of hours support arrangements to manage positive cases in schools; and ongoing engagement with Police Scotland and other partners), however it is important to note that public protection and safety is also largely dependent on the adoption of relevant Scottish Government and Health Protection Scotland guidance by citizens.

4.6.10 ● ⬇ **Resilience** – the current High resilience risk reflects that the Council is likely to continue to operate in the current Covid-19 operating environment for the foreseeable future, and the potential requirement to respond to additional resilience events that have a strong likelihood of occurrence, whilst continuing to manage Covid-19.

4.6.11 In response, the Council is focusing on scenario planning at both CLT and Directorate level with scenario action plans being redesigned to align with the new Scottish Government Covid-19 Strategic Framework (the Framework); is designing a suite of Covid-19 protocols to support directorates and divisions resilience decisions and provide supplementary information; and developing a suite of generic corporate resilience protocols that incorporate lessons learned from multi agency resilience tests for use by directorates and divisions to support their decision making in the event of an incident. There is also ongoing focus on implementation of open resilience assurance findings.

4.6.12 ● ⬌ **Supplier, Contractor and Partnership Management** – the High supplier, contractor, and partnership management current risk assessment reflects the potential for ongoing Covid-19 supply chain risks that could potentially impact upon service delivery; the need to understand the potential impacts of the Brexit legislation on the Council's most significant suppliers; and the potential risks associated with open assurance findings that still require to be addressed by Divisions and Directorates.

4.6.13 ● ⬇ **Technology and information** – the high rated technology and information current risk assessment reflects the increased technology and information risks associated with remote working, notably cyber and data security risks including the risks associated with manual records; and

network connectivity and speed challenges associated with the learning and teaching network supporting remote learning for schools.

4.6.14 A number of actions are currently being implemented by Digital Services in partnership with CGI to further enhance the security of the Council's networks, and work to address learning and teaching network connectivity and speed challenges is in progress.

4.6.15 🔶⬇️**Governance and decision making** – the Moderate governance and decision making current risk reflects the requirement for timely decision making in response to both Scottish Government and Health Protection Scotland Covid-19 regulations and guidance; the risks associated with safe delivery of the Scottish Parliament elections in May 2021; and the need to refresh established governance and assurance arrangements across the Council to support improvements in both service delivery and assurance outcomes.

4.6.16 Mitigations established to address this risk include ongoing engagement with the Scottish Government, COSLA, the NHS, and other partner organisations to discuss any planned changes; regular Council Incident Management Team meetings to discuss and agree responses and actions required; and ongoing engagement and reporting to relevant Council executive committees. The Corporate Risk Management team has also been engaged to support review of the design of the planned elections process to confirm whether all potential risks have been identified and addressed. Additionally, plans to refresh established governance and assurance arrangements across the Council are currently being designed.

4.6.17 🔴↔️ **Service delivery** – the High rated current service delivery risk assessment reflects the ongoing Covid-19 impacts on the Council's ability to deliver services due to employees shielding; responsibility for designing, implementing and managing allocation of Scottish Government grant funding in addition ongoing service delivery responsibilities; and the impact of the current Covid-19 requirements on delivery of education.

4.6.18 Consequently, is it also considered likely that a number of 'business as usual' service delivery operational controls are not being consistently and effectively applied.

4.6.19 🔶 ⬇️ **Regulatory and Statutory Compliance** – the Moderate rated current risk assessment reflects that, whilst no significant breaches have occurred, it is not possible in the current Covid-19 resilience environment to confirm that all regulatory and statutory compliance obligations are being consistently and effectively achieved.

4.6.20 🔶 ⬇️ **Reputational** – the Moderate rated current risk assessment again mainly reflects the impacts of Covid-19 and alignment of the Council's response with both political and public expectations, although it is acknowledged that with some exceptions the Council's response to Covid-19

has generally been positively received. This assessment also reflects the requirement to improve the controls supporting use of social media across the Council to engage with citizens.

Risks Associated with Concurrent Resilience Events

4.7   An assessment of the risks associated with five potential resilience events that have a strong likelihood of occurring either individually or concurrently during the ongoing Covid-19 pandemic confirmed that their impacts are likely to further increase the Council's current strategic risk profile.

4.8   The five scenarios detailed below were considered by each directorate, and the outcomes consolidated to provide both individual and concurrent risk impact assessments. Actions to mitigate these risks are being considered as part of the ongoing scenario planning activities outlined above.

1. further Covid-19 wave or local outbreak
2. winter flu epidemic
3. severe weather
4. care for displaced people
5. civil disorder

4.9   A further two resilience events (a 'no deal' Brexit, and potential death of the Monarch in Scotland) were also considered, however the risk of a 'no deal' Brexit did not crystallise, and the death of the Monarch in Scotland is currently considered unlikely. The likelihood of a winter flu epidemic and severe weather resilience events occurring has also significantly decreased, and no new potentially concurrent resilience events have been identified.

Refreshed Operational Risk Management Framework

4.10   Good progress is evident with the design and implementation of the refreshed framework, with the most significant elements currently being designed, with implementation and training scheduled for April 2021.

4.11   Following this, the Corporate Risk Management team will support directorates and divisions with a refresh of their service delivery and project risk registers by June 2021, enabling a combined 'top down' and 'bottom up' approach to be fully applied to future assessments of, and reporting on, the Council's most significant current risks.

4.12   Further detail on progress with the design and implementation of the refreshed framework is included at Appendix 4. The activities included in the appendix have been mapped to both the findings raised in the Azets internal audit report and the plans outlined in the Operational Risk Management Framework paper presented to committee in November 2020.

5.   Next Steps

5.1   Ongoing design and Implementation of the refreshed operational risk management arrangements as outlined at Appendix 3.

6.   Financial impact

6.1   There are no direct financial impacts directly arising from this report, although effective management of risks is part of good financial management and failure to manage them appropriately may have financial consequences.

7.   Stakeholder/Community Impact

7.1   Effective risk management will support achievement of strategic objectives; effective service delivery; and appropriate responses to resilience events.

8.   Background reading/external references

8.1   Enterprise Risk Management Policy – Policy and Sustainability Committee October 2020 – item 7.11

8.2   Risk Appetite Statement - Policy and Sustainability Committee October 2020 – item 7.12

8.3   Operational Risk Management Framework – Governance, Risk, and Best Value Committee November 2020 – item 8.6

9.   Appendices

9.1   Appendix 1   Strategic Risk Descriptions and Impact Statements

9.2   Appendix 2   Current Strategic Risk Summary and Trends

9.3   Appendix 3   Current Strategic Risk Heatmap

9.4   Appendix 4   Refreshed Operational Risk Management Framework – Progress with Design and Implementation

Appendix 1: Strategic Risk Descriptions and Impact Statements

Ref	Risk	Risk Description	Impact Statment
R1	**Strategic Delivery**	Inability to design and / or implement a strategic plan for the Council.	Lack of clarity regarding future direction and structure of the Council impacting quality and alignment of strategic decisions
R2	**Financial and Budget Management**	Inability to perform financial planning; deliver an annual balanced budget; manage cash flows; and confirm ongoing adequacy of reserves	Council is unable to continue to deliver services and implement change in line with strategic objectives; inability to meet EIJB financial directions; adverse external audit opinion; adverse reputational consequences
R3	**Programme and Project Delivery**	Inability to delivery major projects and programmes effectively, on time and within budget	Inability to deliver Council strategy; achieve service delivery improvements; and deliver savings targets
R4	**Health and Safety (including public safety)**	Employees and / or citizens (including those in the Council's care) suffer unnecessary injury and / or harm	Legal; financial; and reputational consequences
R5	**Resilience**	Inability to respond to a sudden high impact event or major incident	Disruption across the City; to service delivery; and serious injury or harm to employees and / or citizens.
R6	**Supplier, Contractor, and Partnership Management**	Inability to effectively manage the Council's most significant supplier and partnership relationships	Inability to deliver services and major projects within budget and achieve best value
R7	**Technology and Information**	Potential failure of cyber defences; network security; application security; and physical security and operational arrangements	Inability to use systems to deliver services; loss of data and information; regulatory and legislative breaches; and reputational consequences
R8	**Governance and Decision Making**	Inability of management and elected members to effectively manage and scrutinise performance, and take appropriate strategic and operational decisions	Poor performance is not identified, and decisions are not aligned with strategic direction
R9	**Service Delivery**	Inability to deliver quality services that meets citizen needs effectively and in line with statutory requirements	Censure from national government and regulatory bodies; and adverse reputational impacts
R10	**Regulatory and Legislative Compliance**	Delivery of Council services and decisions are not aligned with applicable legal and regulatory requirements	Regulatory censure and penalties; legal claims; financial consequences
R11	**Reputational Risk**	Adverse publicity as a result of decisions taken and / or inappropriate provision of sensitive strategic, commercial and / or operational information to external parties	Significant adverse impact to the Council's reputation in the public domain

◆EDINBVRGH◆
THE CITY OF EDINBURGH COUNCIL

Appendix 2 – Current Strategic Risk Summary and Trends

Risk	Original Risk	Current Risk Trend		Risk Appetite Range		Action Required	Actions In Progress	Target Date
		Q3	Q4					
R1. Strategic Delivery	● (Black)	● (Red)	● (Orange)	● (Green)	● (Orange)	↔	Development and implement new performance framework	April 21
							Post Covid service redesign and implementation of new ways of working	Ongoing
							Monitor alignment between budgets and business plan	Ongoing
R2. Financial and Budget Management	● (Black)	● (Black)	● (Orange)	● (Green)	● (Orange)	↔	Ongoing monitoring of the financial position with focus on financial years 2023/2024 onwards.	Ongoing
							Continue to explore all potential externally available funding sources	Ongoing
R3. Programme and Project Delivery	● (Red)	● (Orange)	● (Red)	● (Green)	● (Red)	↔	Consolidation of all major projects into the A&R Programme	Ongoing
R4. Health and Safety (including Public Safety)	● (Black)	● (Black)	● (Black)	● (Blue)	● (Green)	↓	Implementation of Life Safety audit actions	
							Improved asbestos management	
							Covid-19 employee response including focus on wellbeing	Ongoing
							Corporate (2nd Line) Health and Safety recruitment	June 20
R5. Resilience	● (Black)	● (Red)	● (Red)	● (Green)	● (Orange)	↓	Refresh of Corporate Resilience Framework, with focus on concurrent risks, and clarity on responsibility and accountability	
R6. Supplier, Contractor, and Partnership Management	● (Black)	● (Red)	● (Red)	● (Green)	● (Red)	↔	Understand impacts of the new Brexit legislation on significant (Tier 1 and 2) contracts	
							Monitor potential price inflation and reflect in budgets	
							Monitor supplier sustainability and reflect in procurement frameworks.	
							Refreshed ALEO governance and oversight framework	
R7. Technology and Information	● (Red)	● (Orange)	● (Red)	● (Green)	● (Orange)	↓	Resolution of vulnerability scanning outcomes	
							Implementation of ongoing phishing wide simulation	
							Restricted access to personal e mail via Council networks	
							Review of flexible VPN arrangements	

Risk	Original Risk	Current Risk Trend		Risk Appetite Range		Action Required	Actions In Progress	Target Date
		Q3	Q4					
							Protection of established Council domain names	
							Enhanced data loss prevention through Office 365	
							Prevent use of non-approved devices on Council networks	
							Enhanced network password controls	
							Implementation of Council wide refreshed user access management framework	March 21
R8. Governance and Decision Making	● (red)	● (orange)	● (orange)	● (blue)	● (green)	⬇	Risk assessment for Scottish Parliament May 2021 elections	March 21
R9. Service Delivery	● (red)	● (red)	● (red)	● (green)	● (red)	⬌	Design of first line governance and assurance model	June 21
							Implementation of first line governance and assurance model	Sept 21
							Transition planning for VERA leavers	Ongoing
							Workforce monitoring and planning	Ongoing
R10. Regulatory and Legislative Compliance	● (red)	● (green)	● (orange)	● (blue)	● (green)	⬇	Actions currently being defined.	
R11. Reputational	● (red)	● (orange)	● (orange)	● (green)	● (orange)	⬌	Implementation of Social Media assurance actions	Ongoing

Appendix 3 - Current Strategic Risk Heatmap

Impact		Likelihood				
		1 Rare	2 Unlikely	3 Possible	4 Probable	5 Highly Probable
Very High	5		R2	R6 R7 R3	R5	R4
High	4			R1	R9	
Moderate	3			R8 R10 R11		
Low	2					
Very Low	1					

Likelihood

Colour	
Critical	(black)
High	(red)
Moderate	(orange)
Low	(green)
Minimum Possible	(blue)
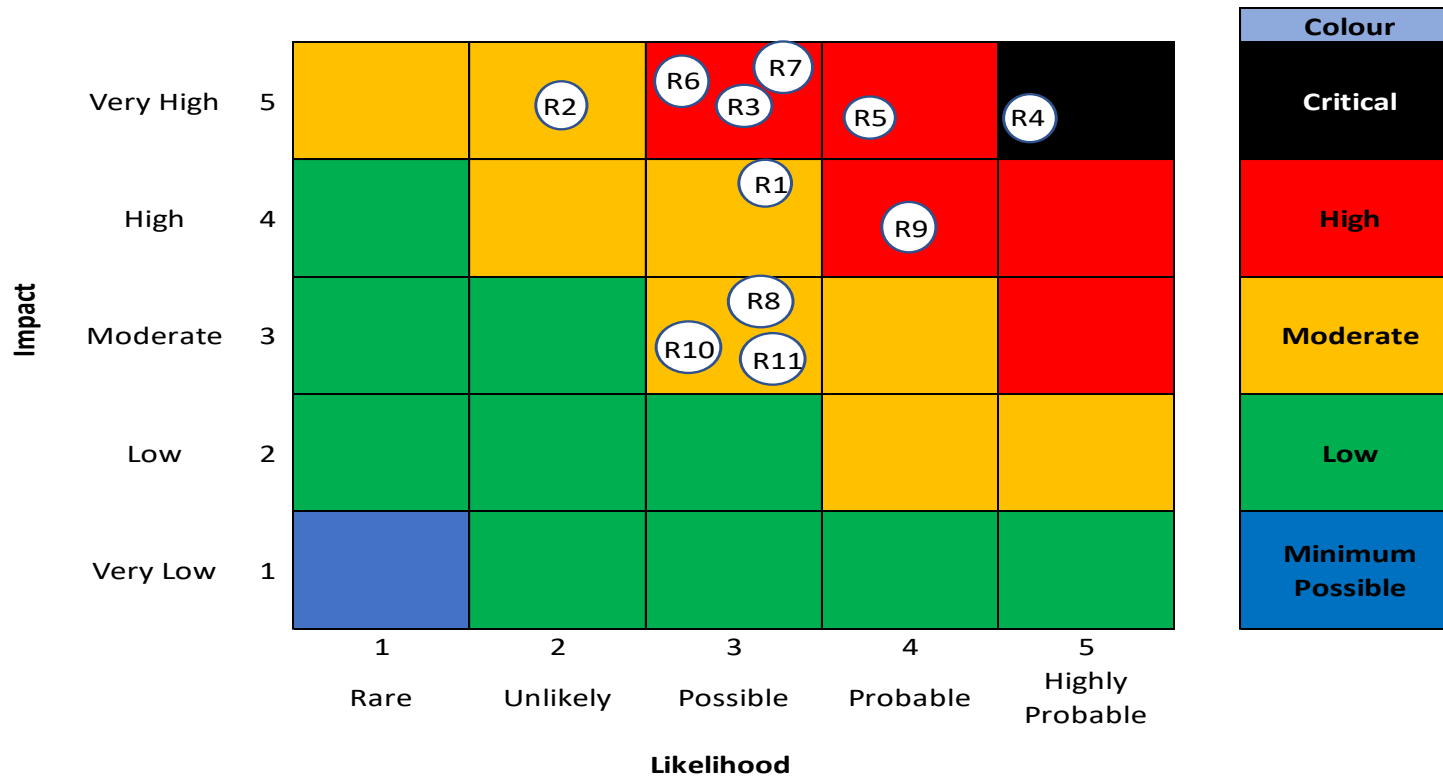
Strategic Risks			
R1	Strategic Delivery	R7	Technology and Information
R2	Financial and Budget Management	R8	Governance and Decision Making
R3	Programme and Project Delivery	R9	Service Delivery
R4	Health and Safety (including Public Safety)	R10	Regulatory and Statutory Compliance
R5	Resilience	R11	Reputational
R6	Supplier, Contractor, and Partnership Management		

Governance, Risk and Best Value Committee - 23 March 2021

Appendix 4 - Refreshed Operational Risk Management **Framework** – Progress with Design and Implementation

Ref	Activity	Target Date	Status	Completion Date	Comments
1	**High Level Operational Risk Management Framework Design Approved by CLT**	**Sep-20**	**Complete**	**Jun-20**	
1a	Refresh First and Second Line Risk Management Responsibilities	Sep-20	Complete	Jun-20	
1b	High Level Operational Risk Management Framework Design approved by GRBV	Nov-20	Complete	Nov-20	
1c	High Level Operational Risk Management Framework Shared Across the Council	Nov-20	Complete	Nov-20	
2	**CLT Risk Committee Terms of Reference**	**Oct-20**	**Complete**	**Jan-21**	**Includes requirement for quorum to ensure attendance across all Directorates**
3	**Head of Legal and Risk attendance at CLT and Change Board**	**Oct-20**	**Complete**	**Dec-20**	
4	**Refresh Enterprise Risk Management Policy**	**Sep-20**	**Complete**	**Sep-20**	
5	**Refresh Risk Appetite Statement**	**Oct-20**	**Complete**	**Oct-20**	
5a	Wider Leadership Team (WLT) Risk Appetite Training	N/A	Complete	Jan-21	
5b	Elected Member Risk Appetite Training	N/A	Complete	Oct-20	
6	**Corporate Risk Team Attendance at HSCP Risk Committees**	**Dec-20**	**In Progress**		
7	**Identification and Escalation of Risks through Risk Forum**	**Dec-20**	**In Place**	**Apr-20**	
8	**Publish quarterly Risk Matters newsletter**	**Dec-20**	**In Place**	**Jan-21**	
9	**Design and Implement Refreshed Operational Risk Management Framework**	**Mar-21**	**In Progress**		
9a	Risk hierarchy / library - consistent definition of risks across the Council	Mar-21	In Progress		
9b	Standard risk register structure for divisions and directorates				
9c	1st Line guidance /criteria to assess and score risk incl target risk /risk appetite	Mar-21	In Progress		
9d	Risk accumulation and escalation process	Mar-21	In Progress		
9e	Risk management methodology for projects	Mar-21	In Progress		
9f	Identify training attendees	Mar-21	In Progress		
9g	Deliver operational risk management framework training	Apr-21	Not Started		**WLT training scheduled for 12 April 2021**
9h	Refresh structure of CLT and GRBV risk reports	Mar-21	In Place	Mar-21	**Refreshed March report presented to GRBV.**
10	**Refresh Divisional and Directorate Risk Registers (incl target risk)**	**Jun-21**	**Not Started**		
11	**Implement 2nd Line Risk Management Assurance across 1st Line Risk Activities**	**Oct-21**	**Not Started**		
12	**Risk Management System**	**Mar-23**	**In Progress**		
12a	Specification	Sep-21	In Progress		
12b	Procurement	Dec-21	Not Started		
12c	Implementation	Jun-22	Not Started		
13	**Assurance Mapping**	**Mar-23**	**Not Started**		

Page 380

Governance, Risk and Best Value Committee - 23 March 2021

Governance, Risk and Best Value Committee

10am, Tuesday 23 March 2021

Whistleblowing update

Item number
Executive/routine
Wards
Council Commitments

1.   Recommendations

1.1   To note whistleblowing activity for the quarter 1 October – 31 December 2020.

Andrew Kerr

Chief Executive

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

E-mail: nick.smith@edinburgh.gov.uk | Tel: 0131 529 4377

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

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 quarter 1 October – 31 December 2020.

2.2   This reporting period covers months seven to nine of coronavirus pandemic measures, with national lockdown restrictions continuing and most Council staff still working remotely, many of those from home.

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) notes that quarterly summary reports on whistleblowing activity will be presented to the Governance, Risk and Best Value Committee.

4.   Main report

4.1   **Disclosures**

During the reporting period Safecall received twenty-six new disclosures:

Category	Number of disclosures
Major/significant disclosures	3
Minor/operational disclosures	19
Category still to be determined	3
Non-qualifying disclosures	1

4.2   The number of disclosures received in this quarter increased significantly, partly attributable to nine disclosures raising the same or very similar concern within one

service unit. It is also possible that internal communications and external coverage of the ongoing review of whistleblowing culture at the Council has led to an increase in disclosures.

4.3 The Monitoring Officer's team assisted the Pinsent Masons review team during the reporting period in the provision of documents and other records relevant to their confidential enquiries.

4.4 The review of the whistleblowing policy will progress to Trade Union consultation in the coming weeks, with presentation to the Policy and Sustainability Committee for approval thereafter.

5. Next Steps

5.1 Trade Union consultation at 4.4 will take place as soon as possible.

6. Financial impact

6.1 Costs incurred for the whistleblowing service during the three-month period 1 October – 31 December 2020 totalled £9,425.00 (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.

This page is intentionally left blank

Governance, Risk and Best Value Committee

10am, Tuesday 23 March 2021

Whistleblowing Annual Report 2020

Item number
Executive/routine
Wards
Council Commitments

1. Recommendations

1.1 To note the report.

Andrew Kerr

Chief Executive

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

E-mail: nick.smith@edinburgh.gov.uk | Tel: 0131 529 4377

EDINBVRGH
THE CITY OF EDINBURGH COUNCIL

Report

Whistleblowing Annual Report

2.   Executive Summary

2.1   This report covers the sixth full year of operation of the Council's whistleblowing service for the period 1 January – 31 December 2020.

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, Safecall Limited.

3.2   The Council's Whistleblowing policy (section 4.3.2) requires that an annual report on whistleblowing activity is presented to the Governance, Risk and Best Value Committee for information and scrutiny.

4.   Main report

Disclosures

4.1   During the reporting period Safecall received 43 disclosures in total, a significant increase on the 20 reported in the previous year. The total number of disclosures received is slightly higher than the average for Safecall's client base of approximately 1 per 500 employees per annum, which equates to 37-38 for the Council's staff group.

4.2   The total for the year includes nine disclosures on the same issue, an unusual occurrence that has an impact on comparisons with previous years and Safecall's average.

Category of disclosure	Number of disclosures		
	2018	2019	2020

Major/significant	0	2 (1)	6 (2)
Minor/operational	21 (1)	17 (6)	32 (4)
Still to be determined	-	-	2 (1)
Non-qualifying	5 (0)	1 (0)	3 (0)
Total	26	20	43

Number of management referrals in brackets

Investigations

4.3 Fifteen investigations (relating to sixteen disclosures) were completed during the reporting period with outcomes and management action reported quarterly to the Governance, Risk and Best Value Committee.

4.4 Thirty-two investigations, relating to forty-four disclosures, are ongoing and will be reported to the Governance, Risk and Best Value Committee on completion.

4.5 There were three reports that did not qualify as disclosures under the Whistleblowing Policy but, where necessary, checks were carried out to establish that the issue raised was not one of concern and redirection to an alternative reporting route was undertaken in relation to one of the reports.

4.6 Recommendations resulting from investigations have continued to result in amendments to policy, improvements to procedures and processes, the development of best practice and improved service delivery, as set out in the individual reports.

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 independent service provider contract was re-tendered and contract award made during the reporting period. Safecall Limited were the successful tenderer and the new contract commenced on 12 May 2020.

4.9 A full review of operational arrangements had been planned for the summer of 2020. This work had started but has had to be paused while staff deal with the pressures resulting from the significant increase in caseload and investigation support requirements, as well as the impacts of the Coronavirus pandemic. This work will recommence as soon as is practically possible. Additional resource has

temporarily been allocated to the Governance team to assist with the current workload pressures.

Policy Review

4.10   The scheduled 2020 review of the Whistleblowing Policy was impacted initially by Coronavirus restrictions and subsequently by the capacity issues described in 4.9. This includes the resource impact on the team as a result of responding to information requests in relation to the ongoing Pinsent Masons review.

4.11   Proposed amendments to the policy include the formalising of improvements identified at the workshop held with Governance, Risk and Best Value committee members in October 2019, many of which have already been implemented, and others proposed through initial Trade Union consultation.

4.12   It is hoped that formal Trade Union consultation on the proposed amendments can be progressed in the coming weeks, with Policy and Strategy Committee approval in the Spring.

5.   Next Steps

5.1   Formal Trade Union consultation on proposed amendments to the Whistleblowing policy to secure a collective agreement prior to approval at Policy and Strategy Committee.

5.2   Recommence review of operational arrangements as soon as capacity pressures allow.

6.   Financial impact

6.1   The cost of the whistleblowing service, including investigation costs, for the year 1 January to 31 December 2020 was £29,895.70 (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 2020

Governance, Risk and Best Value Committee – 25 March 2021

Safecall Annual Report
The City of Edinburgh Council
2020

Annual report for
The City of Edinburgh Council

Period
1st January 2020 to 31st December 2020

safecall

Tim Smith

Contents

Appendix A
Management Information

safecall

Tim Smith

Edinburgh Council - Reports per Month from Jan 2020 to Dec 2020

Month	Reports
1	1
2	3
3	4
4	1
5	0
6	0
7	1
8	2
9	5
10	9
11	8
12	9
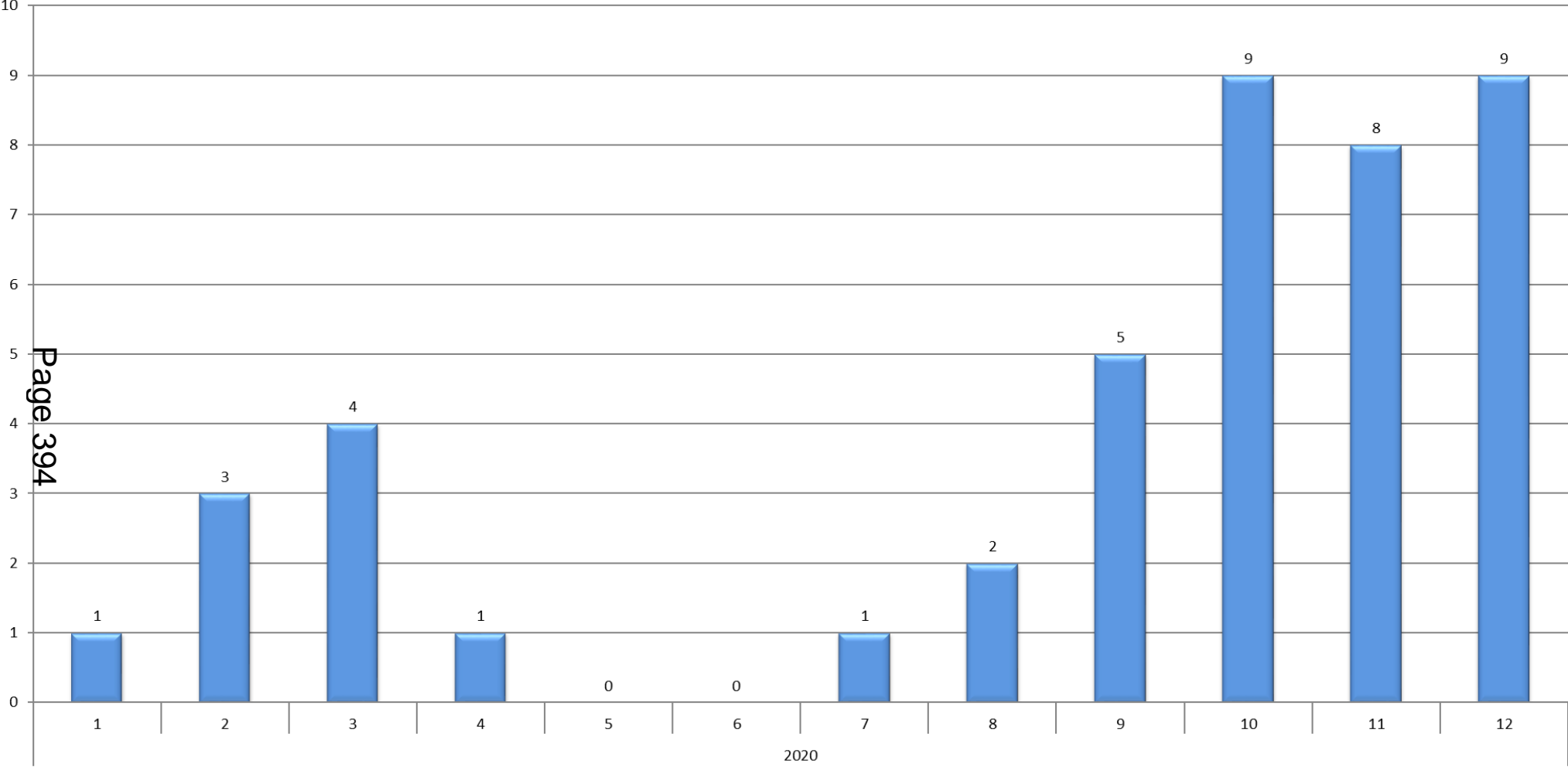
2020

Edinburgh Council - Anonymous Reports per Quarter from Jan 2020 to Dec 2020

	Q1	Q2	Q3	Q4
Anonymous	2	0	3	11
Semi-Anonymous	0	1	2	8
Named	6	0	3	7

■ Anonymous ■ Semi-Anonymous ■ Named
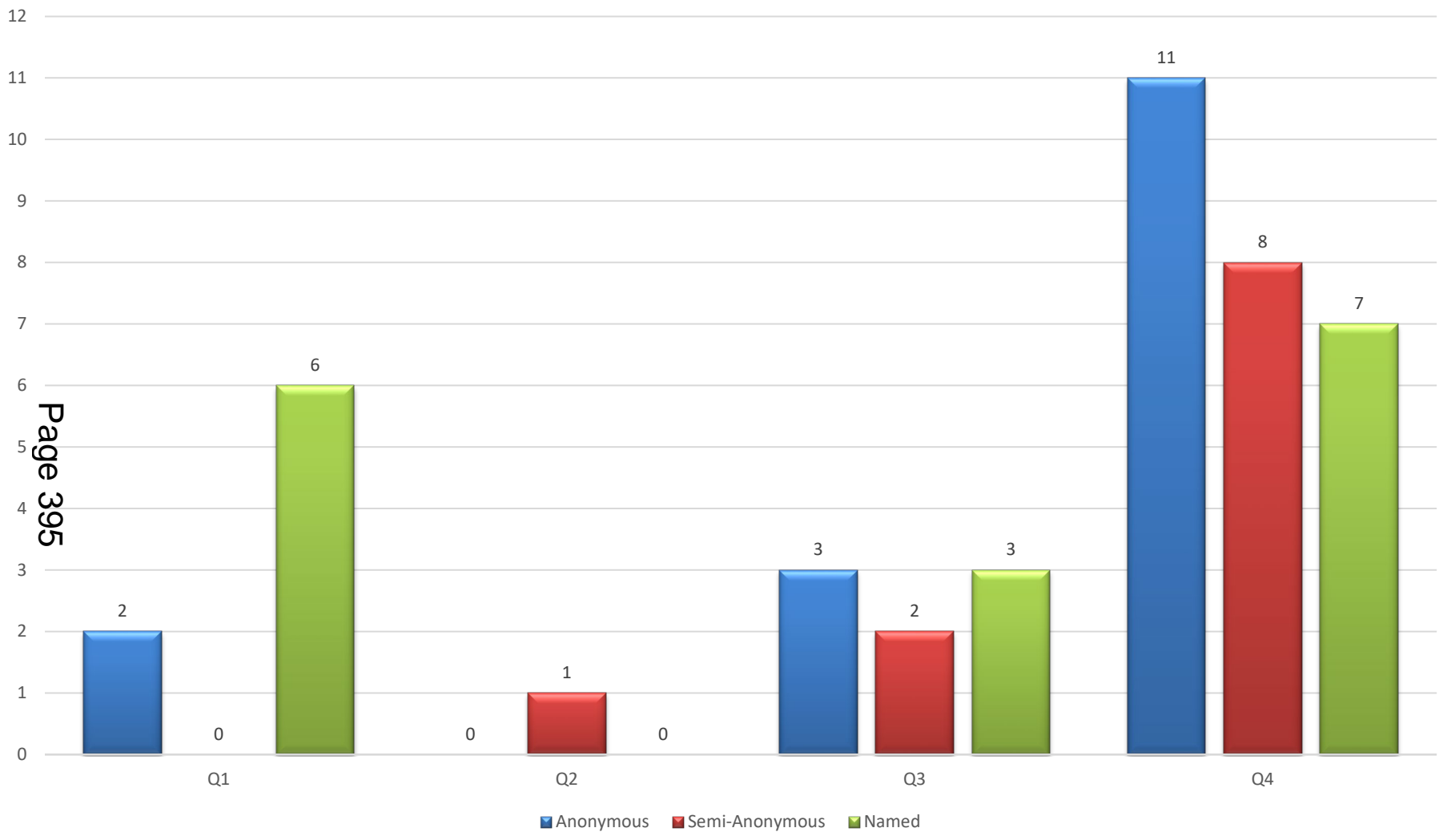
Edinburgh Council - Reports by Classification from Jan 2020 to Dec 2020

Health and Safety, 6, 14%

Dishonest Behaviour, 10, 23%

Human Resource, 12, 28%

General, 15, 35%
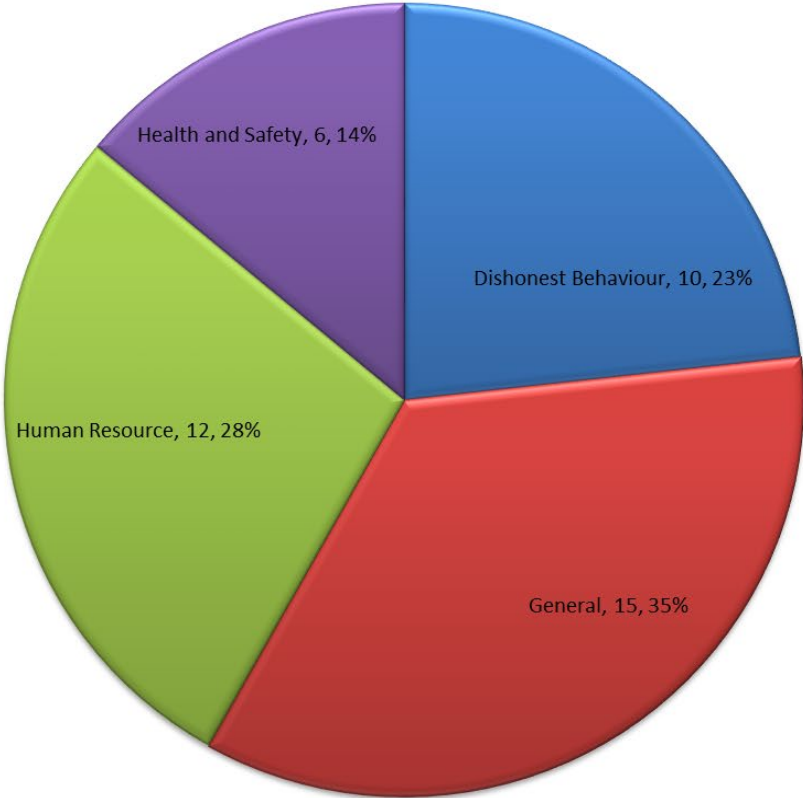
Edinburgh Council - Reports by Subclassification from Jan 2020 to Dec 2020

Subclassification	Count
Dishonest Behaviour	
Fraud	1
Theft	1
Bribery	0
Integrity	8
Money Laundering	0
Corruption	0
General	
Policy	3
Reputation	7
Corporate Governance	0
Data Protection	5
Environmental	0
Regulatory Compliance	0
Failure to act on previous report	0
Health & Safety	
General Safety	5
Product Contamination	0
Substance Abuse	1
HR	
Bullying	6
Harassment	0
Discrimination	1
Victimisation	1
Racism	0
Unfair Treatment	4

Major or Minor Reports from Jan 2020 to Dec 2020

	Q1	Q2	Q3	Q4
■ To be determined	0	0	0	3
■ NQD	2	0	0	1
■ Minor	4	1	6	19
■ Major	2	0	1	4

Page 398
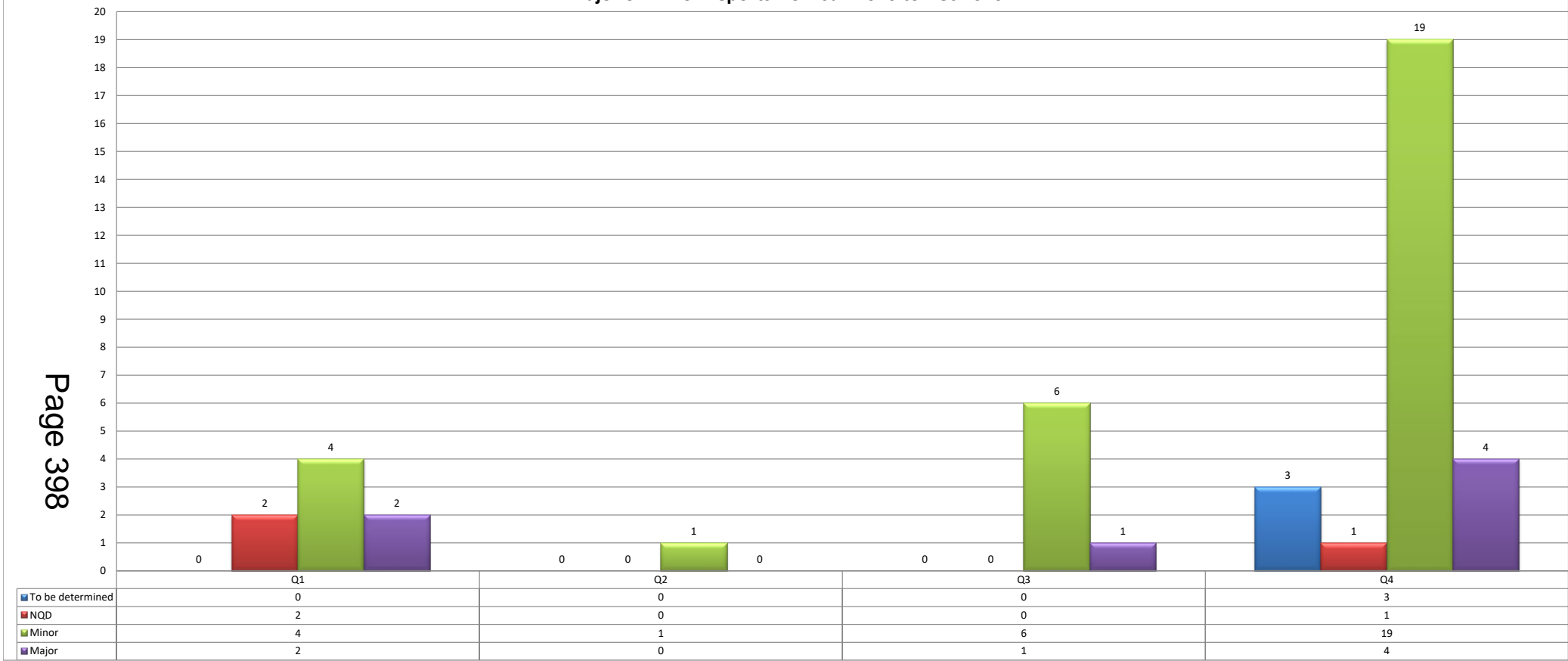
Reports by Directorate from July 2020 to Dec 2020

Not Known, 1, 2%

Other, 2, 5%

Place, 5, 12%

Health & Social Care, 6, 14%

C&F, 18, 42%

Resources, 11, 25%

Legend: ■ Not Known ■ Other ■ Place ■ Health & Social Care ■ C&F ■ Resources
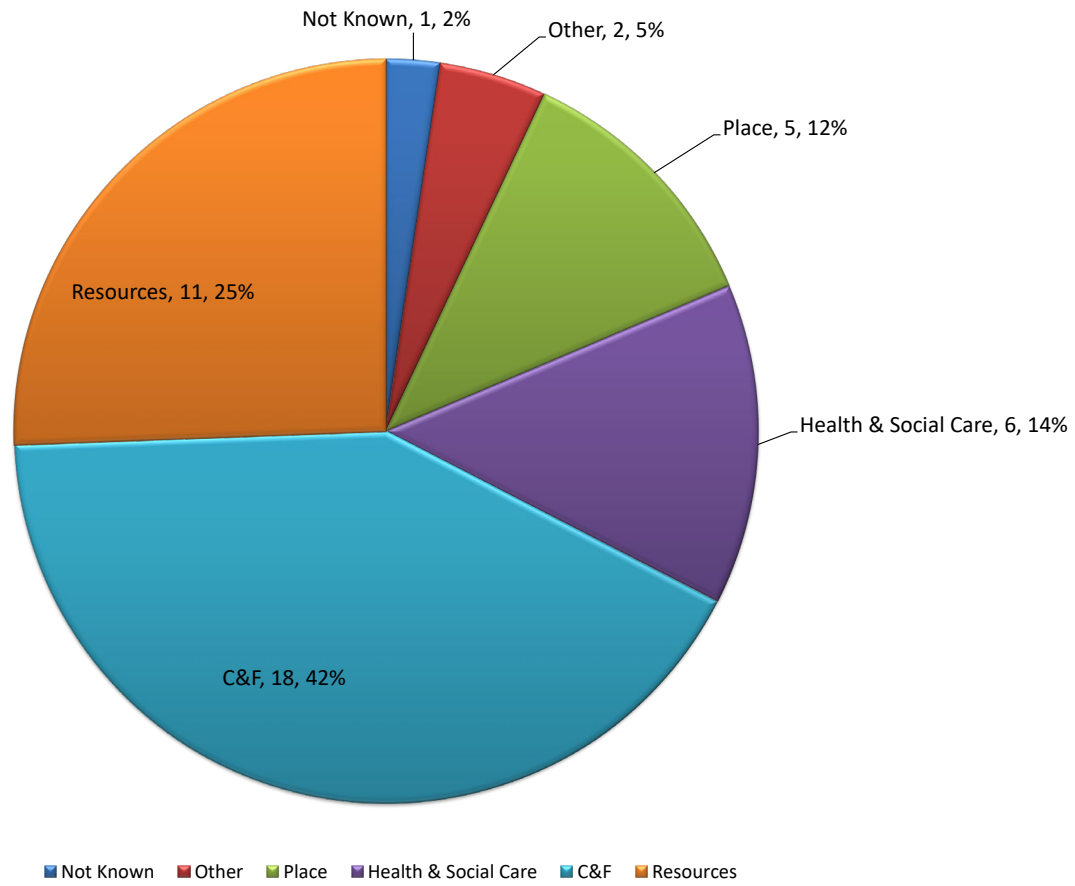
Date	Month	Year	Quarter	Classification	Sub classification	Ref	Major / Minor	Directorate
16/01/2020	1	2020	Q1	Dishonest Behaviour	Integrity	CEC 0120	Minor	C&F
06/02/2020	2	2020	Q1	General	Reputation	MCEC 0220	To be determined	C&F
21/02/2020	2	2020	Q1	Human Resource	Bullying	CEC 0420	Major	Place
22/02/2020	2	2020	Q1	Human Resource	Bullying	CEC 0320	Major	Place
03/03/2020	3	2020	Q1	Dishonest Behaviour	Fraud	CEC 0520	NQD	H&SC
16/03/2020	3	2020	Q1	Human Resource	Discrimination	CEC 0620	Minor	C&F
18/03/2020	3	2020	Q1	Health and Safety	General Safety	MCEC 0720	Minor	C&F
22/03/2020	3	2020	Q1	Health and Safety	General Safety	CEC 0820	Minor	H&SC
27/04/2020	4	2020	Q2	Dishonest Behaviour	Integrity	CEC 0920	Minor	H&SC
23/07/2020	7	2020	Q2	Health and Safety	General Safety	CEC 1020	Minor	C&F
17/08/2020	8	2020	Q3	Human Resource	Unfair Treatment	CEC 1120	Minor	C&F
27/08/2020	8	2020	Q3	General	Policy	CEC 1220	Minor	H&SC
15/09/2020	9	2020	Q3	General	Reputation	MCEC 1320	Major	C&F
21/09/2020	9	2020	Q3	General	Reputation	MCEC 1420	Minor	C&F
29/09/2020	9	2020	Q3	General	Data Protection	CEC 1520	Minor	Resources
30/09/2020	9	2020	Q3	General	Data Protection	CEC 1620	Minor	Resources
30/09/2020	9	2020	Q3	General	Data Protection	CEC 1720	Minor	Resources
01/10/2020	10	2020	Q4	General	Data Protection	CEC 1820	Minor	Resources
01/10/2020	10	2020	Q4	General	Reputation	CEC 1920	NQD	Chief Exec
01/10/2020	10	2020	Q4	Dishonest Behaviour	Theft	CEC 2020	Minor	C&F
14/10/2020	10	2020	Q4	Dishonest Behaviour	Integrity	CEC 2120	Minor	Resources
16/10/2020	10	2020	Q4	Human Resource	Bullying	CEC 2220	Minor	C&F
16/10/2020	10	2020	Q4	Dishonest Behaviour	Integrity	CEC 50120	Major	Cross – dept
20/10/2020	10	2020	Q4	Dishonest Behaviour	Integrity	CEC 2320	Minor	Resources
27/10/2020	10	2020	Q4	Health and Safety	General Safety	CEC 2420	Minor	C&F
28/10/2020	10	2020	Q4	Human Resource	Unfair Treatment	CEC 2520	Minor	Resources
03/11/2020	11	2020	Q4	Dishonest Behaviour	Integrity	CEC 2620	Minor	Resources
13/11/2020	11	2020	Q4	General	Policy	MCEC 2720	Major	C&F
13/11/2020	11	2020	Q4	General	Policy	CEC 2820	Minor	H&SC
16/11/2020	11	2020	Q4	Dishonest Behaviour	Integrity	CEC 2920	Minor	Resources
20/11/2020	11	2020	Q4	General	Data Protection	CEC 3020	Minor	Resources
24/11/2020	11	2020	Q4	Human Resource	Victimisation	CEC 3120	Major	C&F
26/11/2020	11	2020	Q4	Dishonest Behaviour	Integrity	CEC 3220	Minor	Place
30/11/2020	11	2020	Q4	Human Resource	Unfair Treatment	CEC 3320	Minor	C&F
03/12/2020	12	2020	Q4	General	Reputation	MCEC 3420	To be determined	Resources
14/12/2020	12	2020	Q4	Health and Safety	General Safety	CEC 3520	Minor	H&SC
15/12/2020	12	2020	Q4	Human Resource	Bullying	CEC 3620	Minor	Place
15/12/2020	12	2020	Q4	Health and Safety	Substance Abuse	CEC 3720	Minor	Not Known
15/12/2020	12	2020	Q4	Human Resource	Bullying	CEC 3820	Minor	C&F
17/12/2020	12	2020	Q4	General	Reputation	CEC 3920	Minor	C&F
18/12/2020	12	2020	Q4	Human Resource	Bullying	CEC 4020	To be determined	C&F
19/12/2020	12	2020	Q4	General	Reputation	CEC 4120	Minor	C&F
27/12/2020	12	2020	Q4	Human Resource	Unfair Treatment	CEC 4220	To be determined	Place

Appendix B
Key Performance Indicators

safecall

KPI

KPI 1   Full compliance, all calls answered within 4 rings

KPI 2   N/A this quarter, no complaints made re provision of service

KPI 3   One report made without disclosure assessment however this was followed up within 48 hours

KPI 4   N/A this quarter, no referrals required

KPI 5   Full compliance, all minor/ operational disclosures completed within 5 working days.

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

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank