

Minutes

Governance, Risk and Best Value Committee

10.00am, Tuesday 9 November 2021

Present

Councillors Mowat (Convener), Arthur, Cameron, Jim Campbell, Mary Campbell, Doggart, Lang (substituting for Councillor Gloyer), Main, Frank Ross, Work and Young.

1. Minutes

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 21 September 2021 as a correct record.

2. Outstanding Actions

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

Decision

- 1) To agree to close the following actions:
 - Action 4 (1 &2) – Best Value Assurance Audit
 - Action 9 – Internal Audit: Overdue Findings and Key Performance Indicators as at 27 April 2021
 - Action 10 – Outstanding Actions
 - Action 11 – Work Programme
 - Action 12 (1) – Internal Audit Annual Opinion for the year ended 31 March 2021
 - Action 16 – Change Portfolio

- Action 17 (1) – Corporate Leadership Team Risk Report as at 23 August 2021
- Action 18 – Quarterly Status Update - Digital Service Programme

2) To otherwise note the outstanding actions.

(Reference – Outstanding Actions 9 November 2021, submitted.)

3. Work Programme

The Governance, Risk and Best Value Committee Work Programme for November 2021 was presented.

Decision

To note the Work Programme for November 2021.

(Reference – Governance, Risk and Best Value Committee Work Programme 9 November 2021, submitted.)

4. Business Bulletin

The Committee Business Bulletin was presented.

Decision

- 1) To note the business bulletin.
- 2) To note that a recommendation for committee decisions was given in the Business Bulletin and to agree that in future the Business bulletin should be used for information only, and that recommendations by officers should always be presented in a report, however short that report may be.
- 3) To request a written report on the outcomes of the review of the Policy Register be brought to committee in January 2022 to be considered at the same meeting as the Committee Decisions Report.
- 4) To request that the Committee Decision Report addressed the use of Business Bulletins by Council and Committees.
- 5) To note that in August 2021, the GRBV Committee 'noted the proposed refreshed first line governance model structure and the next steps and implementation timeframes for the refreshed model', that each Executive Director committed to have in place by the end of September 2021 the priority line 1 capacity and that the first quarterly cycle of reporting on assurance activities through Directorate and the CLT was to have been completed by March 2022.

- 6) To note the business bulletin update noted some progress but suggested that some work was not on schedule.
- 7) To request a written briefing for GRBV Committee members on progress against each of the Next Steps by each directorate and the commitment by each Director to have in place priority 1 capacity as outlined in the August report before the next GRBV meeting in December.

(Reference – Business Bulletin, submitted.)

5. City of Edinburgh Council – 2020/21 Annual Audit Report to the Council and the Controller of Audit

The report summarised the principal findings arising from the Council's 2020/21 external audit. Whilst primarily focused on the review of the financial statements, the wider scope aspects of the audit included consideration of the Council's financial sustainability, financial management, governance and transparency and arrangements to secure and demonstrate value for money.

Decision

- 1) To note that following the audit process, it was anticipated that an unqualified audit opinion would be issued on the Council's annual accounts for 2020/21.
- 2) To refer the audited annual accounts to the Finance and Resources Committee for approval and thereafter to Council for noting.
- 3) To note that following approval by the Finance and Resources Committee, the audited annual accounts would be signed and submitted to the external auditor.
- 4) To note the external auditor's assessment of both implementation of the recommendations contained within the Council's Best Value Assurance Report and across the four dimensions of the wider scope audit and that progress in the delivery of the resulting improvement actions set out in Appendix 4 of the auditor's report would be reported to the Committee during the coming year.
- 5) To note that once approved, a summarised version of the annual accounts would also be published on the Council's website by 30 November 2021.
- 6) To agree that items 1, 2, 3, 4 and 5 should have regular updates to the Executive Committees via their business bulletins on progress and full reports at implementation date detailing completion or outstanding actions.
- 7) To agree that item 6 (Implementation of BVAR recommendations) would be reported to each meeting of GRBV Committee under the Business Bulletin to monitor progress (tabular form acceptable) towards completion dates.
- 8) To agree that reports be prepared in the following terms on the areas listed below:

- 8.1) Common Good – a report reviewing progress towards completion of 2017/18 recommendations on the Common Good Asset Register and what outstanding work there was to complete this and what resource was required (in officer hours) in two cycles and copied to the relevant Executive Committee.
- 8.2) Framework for collaboration with community councils – a report detailing current arrangements, funding and how this linked into wider community planning responsibilities with any actions for improvement identified and reporting framework detailed in two cycles and copied to the relevant Executive Committee;
- 8.3) Community Asset Transfer – short report in two cycles on current process and timescales to include a table on number of requests received and stage in process with time taken to get to that point.

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

6. Review of the Effectiveness of Scrutiny of Governance, Risk and Best Value Committee – Implementation of Findings

Details were provided on the recommendations of the audit on the Review of the Effectiveness of Scrutiny of Governance, Risk and Best Value Committee.

Decision

- 1) To note the progress made to date to respond to the recommendations of the audit on the Review of the Effectiveness of Scrutiny of the Governance, Risk and Best Value Committee.
- 2) To agree that the Convener and Corporate Governance Manager would discuss the issues raised regarding the appointment of a Vice-Convener of the GRBV Committee, and the issues relating to funding for senior councillors posts, with an update to be provided in the next business bulletin.

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

7. Capacity to Deliver the 2021/22 Internal Audit Plan

a) Keep Edinburgh Moving

A written deputation was presented, raising concerns over capacity issues with carrying out internal audits across the Council, which called into question its commitment to ensuring good governance against a background of an ongoing whistleblowing inquiry, red listed audits and public concern with probity in the public space more generally.

b) Report by the Chief Internal Auditor

Details were provided to highlight a significant challenge with delivery of the 2021/22 Internal Audit (IA) annual plan and opinion following requests from directorates to either defer audits for completion into the 2021/22 plan year, or delay a number of audits for completion until the last quarter of the year.

Decision

- 1) To note the challenges detailed in the report by the Chief Internal Auditor that were currently impacting delivery of the 2021/22 Internal Audit annual plan and opinion.
- 2) To note that further action was required to ensure that directorates had the capacity to support future delivery of audit assurance on a scale that was proportionate to the size of the Council in comparison to other Scottish Local Authorities.
- 3) To approve option 3 detailed in the report to support completion of the minimum number of audits required to support the IA annual opinion and to refer the report to the Finance and Resources Committee on 18 November 2021 for approval of the required funding.

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

8. Revenue Budget Framework 2021/26 – Progress Update – referral from the Finance and Resources Committee

On 7 October 2021, the Finance and Resources Committee considered a report which updated members on the projected Council-wide revenue budget position for the year. The report reviewed a number of existing financial planning assumptions, resulting in an estimated revised savings requirement of £8.2m for 2022/23 and increasing significantly thereafter.

Decision

To note the report.

(References – Finance and Resources Committee, 7 October 2021 (item 6); referral from the Finance and Resources Committee, submitted.)

9. Sustainable Capital Budget Strategy 2022-2032 – referral from the Finance and Resources Committee

On 7 October 2021, the Finance and Resources Committee considered a report which set out priorities for £1,725.732m of council capital investment, in alignment with the Council Business Plan, over the medium to long-term.

Decision

- 1) To note the report.

- 2) To agree that the Convener would write to all Executive Committee Conveners to raise the concerns expressed by the Committee regarding decisions which were made that could result in unfunded pressures in the budget.
- 3) To note that the Service Director – Finance and Procurement would reference this in the report to the Finance and Resources Committee in December 2021.

(References – Finance and Resources Committee, 7 October 2021 (item 7); referral from the Finance and Resources Committee, submitted.)

10. Accounts Commission Local Government in Scotland Overview 2021 – referral from the Policy and Sustainability Committee

On 5 October 2021, the Policy and Sustainability Committee considered a report which presented the recent report by the Accounts Commission looking at Local Government in Scotland in the context of the Covid-19 pandemic.

Decision

To note the report.

(References – Policy and Sustainability Committee, 5 October 2021 (item 9); referral from the Policy and Sustainability Committee, submitted.)

11. Best Value Assurance Audit Response - October Update Decision

On 5 October 2021, the Policy and Sustainability Committee considered a report which provides an update on the progress made to respond to the Best Value Assurance Audit recommendations.

Decision

To note The Policy and Sustainability has referred the attached report to the Governance, Risk and Best Value Committee for consideration.

(References – Policy and Sustainability Committee, 2021 (item 7.4); referral from the Policy and Sustainability Committee, submitted.)

12. The EDI Group – Annual Update – referral from the Housing, Homelessness and Fair Work Committee

On 4 November 2021, the Housing, Homelessness and Fair Work Committee considered a report which updates members on the progress of the transition strategy for The EDI Group Limited which aims to close it and its subsidiary companies and bring their projects and assets into the Council.

Decision

To note the Housing, Homelessness and Fair Work Committee has referred an annual update report on the EDI Group to the Governance, Risk and Best Value Committee for information.

(References – Housing, Homelessness and Fair Work Committee, 2021 (item 7); referral from the Housing, Homelessness and Fair Work Committee, submitted.)