

# Minutes

## Governance, Risk and Best Value Committee

10.00am, Tuesday 2 May 2023

### Present

Councillors Campbell (Convener), Bandel, Biagi, Faccenda, Jenkinson, Macinnes (substituting for Councillor McVey), Miller, Mitchell (substituting for Councillor Rust), Mowat, Thornley and Younie.

### 1. Minutes

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#### Decision

To approve the minute of the Governance, Risk and Best Value Committee of 14 March 2023 as a correct record.

### 2. Outstanding Actions

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Details were provided of the Outstanding Actions arising from decisions taken by the Committee.

#### Decision

- 1) To agree to close:
  - Action 2(2) – CLT Risk Report – Report Template
  - Action 2(3) – CLT Risk Report – Implementation of Best Value Audit Reporting
  - Action 4 – Annual Governance Statement
  - Action 7 – Gas Services Improvement Plan Closure Report
  - Action 12(1) – SWIFT Application Technology Controls
  - Action 13 – CLT Risk Report – Session for Members on Risk Appetite and Ratings
  - Action 14 – Quarterly Status Update – Digital Services
  - Action 18(2) – Change Portfolio

- Action 19 – Annual Assurance Schedule – Corporate Services
  - Action 21 – Capital Monitoring 2022/23 – Briefing on Capital Budgeting for the Edinburgh Health and Social Care Partnership
- 2) To note action 6 (Annual Assurance Schedule – Edinburgh Health and Social Care Partnership) would remain open until the requested briefing note was circulated.
  - 3) To note action 9(4) (Internal Audit: The Chartered Institute of Internal Auditors - External Quality Assessment) would remain open until the Policy and Sustainability Committee had considered the report.
  - 4) To otherwise note the remaining outstanding actions.

(Reference – Outstanding Actions May 2023, submitted.)

### 3. Work Programme

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The Committee Work Programme was presented.

#### Decision

To note the Work Programme.

(Reference – Work Programme May 2023, submitted.)

### 4. Business Bulletin

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The Committee Business Bulletin was presented.

#### Decision

- 1) To note the Business Bulletin.
- 2) To note the letter sent to the Minister for Business, Trade, Tourism and Enterprise regarding procurement procedures and to agree that the Convener progress the actions suggested by the Minister in his reply.

(Reference – Business Bulletin May 2023, submitted.)

### 5. Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard at 31 March 2023

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Details of the status and progress towards closure of open and overdue management actions as of 31 March 2023 were presented.

#### Decision

**Tuesday, 2nd May, 2023**

- 1) To note the status of open and overdue Internal Audit actions as at 31 March 2023.
- 2) To refer the report to the Council Executive committees for ongoing scrutiny of the overdue internal audit actions relevant to their respective remits.
- 3) To refer the report to the Edinburgh Integration Joint Board Audit and Assurance Committee for information in relation to the current Health and Social Care Partnership position.
- 4) To request an additional column showing the date of each audit be added to Appendix 2 in future reports.

(Reference – report by the Head of Internal Audit, submitted.)

## **6. Internal Audit Update Report – 5 December 2022 to 31 March 2023**

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The report provided an update on the delivery of Internal Audit (IA) reviews. A summary of overall progress and outcomes was provided.

### **Decision**

- 1) To note progress with delivery of the 2022/23 Internal Audit plan and reviews the outcomes of IA reviews completed in the last quarter.
- 2) To approve a revision to the Committee work programme to allow the annual activity report and audit opinion to be presented to Committee in September 2023.
- 3) To agree the deferment of two 2022/23 IA reviews into the 2023/24 IA plan.
- 4) To note commencement of the 2023/24 IA plan approved by Committee in March 2023.
- 5) To note progress with recommendations and improvement actions arising from the 2021/22 External Quality Assessment.
- 6) To note the outcomes and feedback from audit surveys.
- 7) To note the current IA risk profile and action being taken to mitigate risks.
- 8) To note progress with delivery of IA key priorities and ongoing areas of focus.
- 9) To request a timeline of audit activity to be added to future quarterly reports and to request future quarterly reports were separated to each audit year.

(Reference – report by the Head of Internal Audit, submitted.)

## 7. Audit Scotland – City of Edinburgh Council Annual Audit Plan 2022-2023

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Audit Scotland had been appointed as the Council's external auditor for the five-year term covering financial years 2022/23 to 2026/27 inclusive. The external audit plan for review year 2022/23 was presented for the Committee's information, outlining the main proposed areas of scrutiny and associated reporting timescales over the coming year.

### Decision

- 1) To note the Annual Audit Plan for 2022/23.
- 2) To note the periodic updates on the work set out therein would be provided to the Committee.

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

## 8. Corporate Leadership Team Risk Report at 20 March 2023

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The Council's risk profile at 20 March 2023 was presented and the most significant risks were highlighted. Risk assessments presented were based on management's view of internal and external environments within which the Council operated.

### Decision

- 1) To note the Council's risk profile as at 20 March 2023, the most significant risks facing the Council, and key actions being taken in response to those risks.
- 2) To note several risks currently exceeded the Council's agreed Risk Appetite levels.
- 3) To request the 'workforce deep dive' report being submitted to the Finance and Resources Committee in June be referred to the Governance, Risk and Best Value Committee for scrutiny.
- 4) To note the discrepancies in the report, such as differing risk ratings in the charts and text, and to agree officers would review and make any corrections. An amended report to be circulated and published following the meeting. (Note: the revised report is appended to this minute for information.)
- 5) To agree the upcoming risk workshop would include discussion on the format of reports, the level of detail required and reporting timelines.
- 6) To request the Council Leader write to the appropriate Cabinet Secretary regarding the financial pressures in health and social care requesting support.

- 7) To request a report on the Council's budget process with recommendations on how it could be improved and what safeguards were in place to ensure any risks were identified during the process.

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

## 9. Quarterly Status Update – Digital Services

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A report provided a progress update on the Council's Digital Services programme of works. The Council and its technology partner, CGI UK Limited, continued to work in partnership to increase the pace of delivery to improve core digital services, achieve further improvement and progress the associated major systems changes and developments.

### Decision

- 1) To note the report.
- 2) To agree future reports would be streamlined to remove some narrative and focus on the risks the Committee needed to be aware of in order to perform its scrutiny function.
- 3) To request key information on project progress is included in a dashboard format with notes on progress and issues encountered.
- 4) To agree a closure report on the digital roll out in schools would be presented to the Governance, Risk and Best Value Committee in addition to the Finance and Resources Committee.

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

## 10. Annual Treasury Management Strategy 2023-24 – referral from the City of Edinburgh Council

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The City of Edinburgh Council had referred a report on the Annual Treasury Management Strategy 2023/24 for scrutiny.

### Decision

- 1) To note the report.
- 2) To note the Head of Internal Audit was conducting a skills audit of the Committee and would consider training on treasury management as part of this.

(References – City of Edinburgh Council of 16 March 2023 (item 14); referral from the City of Edinburgh Council, submitted.)

## **11. Capital Strategy 2023-2033 – Annual Report – referral from the Finance and Resources Committee**

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The Finance and Resources Committee had referred a report on the Capital Strategy 2023-33 – Annual Report for scrutiny. The proposed capital strategy provided a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the infrastructure and provision of services for the benefit of Edinburgh communities and citizens.

### **Decision**

To note the report.

(References – Finance and Resources Committee of 10 March 2023 (item 3); referral from the Finance and Resources Committee, submitted.)

## **12. Risk Management Policy – referral from the Policy and Sustainability Committee**

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The Policy and Sustainability Committee had referred a report on the Council's refreshed Risk Management Policy for information. The Policy superseded the existing policy dated 30 November 2021 and described the Council's overarching risk management approach.

### **Decision**

To note the report.

(References – Policy and Sustainability Committee of 21 March 2023 (item 14); referral from the Policy and Sustainability Committee, submitted.)

## **13. Best Value Assurance Audit – Update – referral from the Policy and Sustainability Committee**

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The Policy and Sustainability Committee had referred a report on progress with the implementation of actions from the key recommendations for the Council from the Council's Best Value Assurance Audit Report for scrutiny.

### **Decision**

- 1) To note the report.
- 2) To agree the Governance, Risk and Best Value Committee would continue to receive updates on the progress against the recommendations of the Best Value Audit following consideration by the Policy and Sustainability Committee.

(References – Policy and Sustainability Committee of 21 March 2023 (item 27); referral from the Policy and Sustainability Committee, submitted.)

#### **14. Edinburgh Leisure Annual Report 2021-22 – referral from the Culture and Communities Committee**

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The Culture and Communities Committee referred the Edinburgh Leisure Annual Report for 2021/22 for scrutiny. The report detailed the performance of Edinburgh Leisure as it began the process of recovering its business following the second Covid-19 lockdown in January 2021.

##### **Decision**

To continue consideration of the report to the next meeting and to request the Chief Executive of Edinburgh Leisure attended the meeting to answer questions.

(References – Culture and Communities Committee of 7 March 2023 (item 5); referral from the Culture and Communities Committee, submitted.)

#### **15. Edinburgh Living Annual Update 2022 – referral from the Housing, Homelessness and Fair Work Committee**

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The Housing, Homelessness and Fair Work Committee referred a report on the activities carried out by Edinburgh Living in 2022 for scrutiny. The report comprised of the financial statement for the previous year (2021) as agreed by the Corporate Body, and the interim financial position at the end of 2022.

##### **Decision**

- 1) To note the report.
- 2) To note the upcoming audits on procurement and contract management and that elected member engagement and adherence to existing policy during the contract award process could be included as part of this.

(References – Housing, Homelessness and Fair Work Committee of 9 March 2023 (item 8); referral from the Housing, Homelessness and Fair Work Committee, submitted.)

#### **16. CGI Security Operations Centre Audit Progress**

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The Committee in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraph 14 of Part 1 of Schedule 7A of the Act.

An update on progress against the actions from the CGI Security Operations Centre Audit was provided.

## Decision

To note the progress against the audit actions to date.

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

## Appendices

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Appendix 1 Revised Corporate Leadership Team Risk Report at 20 March 2023