

## Governance, Risk and Best Value Committee

10.00am, Tuesday 10 August 2021

### Present

Councillors Mowat (Convener), Arthur, Bird, Cameron, Jim Campbell, Mary Campbell, Child (substituting for Councillor Cameron, item 4 onwards), Dixon, Duggart, Main, Osler (substituting for Councillor Gloyer) and Work.

### 1. Minutes

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#### Decision

To approve the minute of the Governance, Risk and Best Value Committee of 8 June 2021 as a correct record.

### 2. Outstanding Actions

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

#### Decision

- 1) To agree to close the following actions:
  - Action 3 – Draft Annual Governance Statement
  - Action 9 (1&2) – Gas Service Improvement Plan
  - Action 11 (2) – Change Portfolio
  - Action 12 – Draft Annual Governance Statement
  - Action 14 – IA Update
- 2) To agree that the update being prepared for item 5 relating to high-rise blocks would also be circulated to members with high-rise blocks in their wards.
- 3) To agree to circulate the IJB annual opinion and risk register to GRBV Committee members once prepared.
- 4) To agree to close action 7 (Business Bulletin), but to recognise that this was a two stage process and that a separate piece of work would be undertaken to consider the responses to the Scottish Government consultation on the review of adult social care and the implications of this.
- 5) To otherwise note the outstanding actions.

(Reference – Outstanding Actions 10 August 2021, submitted.)

### **3. Work Programme**

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The Committee Work Programme for August 2021 was presented.

#### **Decision**

- 1) To note the Work Programme.
- 2) To request a report on community centres and the process followed to address Council and Committee decisions, and protocols for officers carrying out agreed actions, particularly in relation to recent decisions made on community centres and care home discharges.
- 3) To note that a workshop would be held to consider the findings of the GRBV Effectiveness Audit and that this would also include consideration of how best to communicate the importance and impact of completing outstanding audit actions to committee members and conveners.

(Reference – Governance, Risk and Best Value Committee Work Programme 10 August 2021, submitted.)

### **4. Internal Audit Annual Opinion for the year ended 31 March 2021**

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The Internal Audit (IA) Annual Opinion for the year ended 31 March 2021 was presented. The opinion was based on the outcomes of the audits completed as part of the Council's 2020/21 IA annual plan, and the status of open IA findings as at 31 March 2021.

#### **Motion**

- 1) To note the limited Internal Audit annual opinion provided for the year ended 31 March 2021.
- 2) To note with concern that while some progress has been made, and despite previous assurances given by officers to ensure both adequate capacity and resource following the 20/21 opinion, the overall finding remains red.
- 3) To note that the Chief Executive and Executive Directors were tasked to draft a comprehensive plan to be brought back to Policy and Sustainability Committee on how to enable the significant improvements identified in the 20/21 report.
- 4) To note the context of the 18 months dealing with COVID and the impact of this, both in terms of carrying out a full number of audits and resolving issues.
- 5) To recognise the hard work that is underway in teams across the council to improve on internal audit.
- 6) To agree, however, that the issues highlighted in the report must be addressed prior to the end of this administration, and that senior management must do everything within their power to deliver an improved outcome on next year's opinion, including tackling any cultural barriers to proactive engagement with internal audit and effectively addressing findings, as well as provide regular progress reports to the relevant parent committees by no later than the first

committee of the new calendar year, within the executive decisions section of the agenda rather than routine decisions.

- 7) To agree to hold a workshop for GRBV members and relevant officers to consider the findings of the GRBV Effectiveness audit and to report back to the next available GRBV Committee on implementation of the findings.

- moved by Councillor Bird, seconded by Councillor Dixon

### **Amendment**

- 1) To note the limited Internal Audit annual opinion provided for the year ended 31 March 2021.
- 2) To note that for this current audit plan 21/22, Covid-19 allowing, that audits will be carried out in line with the timescales set out in the agreed audit plan and that audit management actions agreed will be closed within 6 to 9 months, unless agreed in advance with IA, and that by the end of the year overdue actions that have been open longer than one year will be the exception.
- 3) To agree to hold a workshop for GRBV members and relevant officers to consider the findings of the GRBV Effectiveness audit and to report back to the next available GRBV Committee on implementation of the findings.

- moved by Councillor Main, seconded by Councillor Mary Campbell

In terms of Interim Standing Order 22.12, the amendment was accepted as an addendum to the motion.

### **Decision**

- 1) To note the limited Internal Audit annual opinion provided for the year ended 31 March 2021.
- 2) To note with concern that while some progress has been made, and despite previous assurances given by officers to ensure both adequate capacity and resource following the 20/21 opinion, the overall finding remains red.
- 3) To note that the Chief Executive and Executive Directors were tasked to draft a comprehensive plan to be brought back to Policy and Sustainability Committee on how to enable the significant improvements identified in the 20/21 report.
- 4) To note the context of the 18 months dealing with COVID and the impact of this, both in terms of carrying out a full number of audits and resolving issues.
- 5) To recognise the hard work that is underway in teams across the council to improve on internal audit.
- 6) To agree, however, that the issues highlighted in the report must be addressed prior to the end of this administration, and that senior management must do everything within their power to deliver an improved outcome on next year's opinion, including tackling any cultural barriers to proactive engagement with internal audit and effectively addressing findings, as well as provide regular progress reports to the relevant parent committees by no later than the first

committee of the new calendar year, within the executive decisions section of the agenda rather than routine decisions.

- 7) To note that for this current audit plan 21/22, Covid-19 allowing, that audits will be carried out in line with the timescales set out in the agreed audit plan and that audit management actions agreed will be closed within 6 to 9 months, unless agreed in advance with IA, and that by the end of the year overdue actions that have been open longer than one year will be the exception.
- 8) To agree to hold a workshop for GRBV members and relevant officers to consider the findings of the GRBV Effectiveness audit and to report back to the next available GRBV Committee on implementation of the findings.

(Reference – report by the Head of Audit and Risk / Chief Internal Auditor, submitted.)

## **5. Edinburgh Tram Network Supplier Management Arrangements**

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The Committee agreed under Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the public from the meeting for this item of business on the grounds that it would involve the disclosure of exempt information as defined in Paragraph 12 of Part 1 of Schedule 7A of the Act.

The outcome of the Edinburgh Tram Network Supplier Management Arrangements Internal Audit was presented for consideration.

### **Decision**

- 1) To note the outcomes of the Edinburgh Tram Network Supplier Management Arrangements Internal Audit (IA) report that formed part of the 2020/21 internal audit annual opinion.
- 2) To refer the report to the Transport and Environment Committee on 19 August 2021 for information.

## **6. First Line Governance and Assurance Model**

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A report set out the design and implementation timeframe for a refreshed first line governance and assurance model that would be implemented on a permanent basis across the Council. It aimed to address the concerns highlighted in both current and recent Internal Audit annual opinions and it was expected to be operational by December 2021, subject to recruitment.

### **Decision**

- 1) To note the proposed refreshed first line governance and assurance model structure.
- 2) To note the next steps and implementation timeframes for the refreshed model.
- 3) To agree that progress updates should be provided in each GRBV Committee Business Bulletin from November onwards, including an update on the finalised structure and recruitment.

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

## **7. Corporate Governance Code Self-Assessment 2020/21**

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The Committee considered a report on the Council's self-assessment of its compliance with the Corporate Governance Code for the financial year 1 April 2020 to 31 March 2021. The Code was based on the Chartered Institute of Public Finance & Accountancy and Society of Local Authority Chief Executives model framework 'Delivering Good Governance in Local Government'.

It was noted that the governance arrangements and design of controls in a number of areas had been changed during the year to better respond to the Covid-19 pandemic.

### **Decision**

- 1) To note the Corporate Governance Code Self-Assessment 2020-21.
- 2) To note ongoing development of an effective framework for the Council, with a focus on continuous improvement.
- 3) To note the impact of the Covid-19 pandemic on the Council's control framework.
- 4) To clarify the documents being referred to as 'budget book'.

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

## **8. Annual Assurance Schedule – Edinburgh Health and Social Care Partnership**

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The annual assurance schedule for 2020-21 for the Edinburgh Health and Social Care Partnership was presented to the Committee for scrutiny.

### **Decision**

- 1) To note the Edinburgh Health and Social Care Partnership annual assurance schedule for 2020-21.
- 2) To note that the Partnership annual assurance schedule 2021-22 would be submitted for scrutiny to GRBV Committee in 12 months.

(Reference – report by the Chief Officer – Edinburgh Health and Social Care Partnership, submitted.)