

# Governance, Risk and Best Value Committee

10.00am, Tuesday 9 November 2021

## Review of the Effectiveness of Scrutiny of Governance, Risk and Best Value Committee - implementation of findings

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

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The Committee is recommended to:

- 1.1 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.

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# Report

## Review of the Effectiveness of Scrutiny of Governance, Risk and Best Value Committee - implementation of findings

### 2. Executive Summary

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- 2.1 This report provides an update on the progress made to respond to the recommendations of the audit on the Review of the Effectiveness of Scrutiny of Governance, Risk and Best Value Committee.

### 3. Background

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- 3.1 The Review of the Effectiveness of Scrutiny of Governance, Risk and Best Value Committee was prepared by the Chartered Institute of Internal Auditors and considered by the [Governance, Risk and Best Value \(GRBV\) committee on 10 August 2021](#).

### 4. Main report

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- 4.1 The GRBV Committee Effectiveness Review concluded that the GRBV Committee is fulfilling its core remit, particularly in relation to oversight of the internal and external audit processes, risk management and the operational performance of the Council. The Review further concluded that there is an opportunity to enhance the effectiveness of the scrutiny the Committee performs and the impact it can achieve.
- 4.2 The Review set out a number of recommendations for consideration when the Council reviews its political management arrangements following the 2022 local government elections, as well as a number of standalone recommendations to enhance the effectiveness of the committee.
- 4.3 Recommendations were separated into five key areas noted below:
- 4.3.1 GRBV Remit and Responsibilities;
  - 4.3.2 Skills and Resources available to the GRBV;

4.3.3 Effective Execution of the GRBV's Responsibilities;

4.3.4 The Operation of the GRBV's meetings and activities; and

4.3.5 Other Operational Matters

4.4 The Review also noted positive findings relating to the culture of GRBV and the conduct of the GRBV Committee's business and activities.

4.5 Following a workshop held with GRBV members on 23 June 2021, management responses were developed and are detailed in Appendix 1. A further workshop was held with GRBV members on 6 September 2021 to examine key priority areas and discuss and agree next steps.

4.6 As noted above, many of the recommendations will be considered as part of a wider programme of work in preparation for the 2022 election. A number of other recommendations are being progressed and updates have been set out in Appendix 1.

## **5. Next Steps**

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5.1 Officers, in consultation with the GRBV Convener, will continue to progress the actions detailed in Appendix 1 and the Committee will be kept informed of progress.

## **6. Financial impact**

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6.1 There is no direct financial impact resulting from the Review of the Effectiveness of Scrutiny of Governance, Risk and Best Value Committee. All improvement actions will be individually costed as appropriate and will be required to be managed through existing revenue budget allocations.

## **7. Stakeholder/Community Impact**

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7.1 A series of workshops have already taken place with GRBV Committee members and consultation and engagement will continue as the Council response to the recommendations set out in the Review.

## **8. Background reading/external references**

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8.1 [Internal Audit Annual Opinion for the year ended 31 March 2021](#) – Governance, Risk and Best Value Committee, 10 August 2021

## 9. Appendices

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- 9.1 Appendix 1 – Review of the Effectiveness of Scrutiny of Governance, Risk and Best Value Committee - Status Update Table

## Appendix 1

### Review of the Effectiveness of Scrutiny of Governance, Risk and Best Value Committee - implementation of findings

GRBV Remit and Responsibilities			
	Recommendation	Management Action	Progress Update
1	<p>When the Council's committee structure is designed in 2022, following the election, consideration could be given to:</p> <ul style="list-style-type: none"> <li>• Re-instating the role of Vice Convenor on GRBV with this position allocated to another (non administration) political party.</li> <li>• Independent experts joining GRBV as non-voting members (see section 3.21 below on skills).</li> <li>• A cabinet structure with each Executive Committee having a scrutiny oversight Committee.</li> <li>• The inclusion of an Audit and Risk Committee within the Committee's structure.</li> <li>• Independent experts being included in the membership of such a committee would help ensure the quality of scrutiny over key areas such as the annual accounts.</li> </ul>	<p>1.1 The Council usually reviews its political management arrangements in the weeks and months after an election. Consideration will be given at that time to a range of models, including a cabinet model. This review will consider how the GRBV committee is constituted and its remit for governance across the Council. The use of a vice convener and the introduction of independent members for the audit and scrutiny committee will also be considered at that time.</p> <p>Ultimately, it must be recognised that the Council will determine which committee structure is implemented, regardless of officer recommendations. When determining the potential future structure of the committee, it is important to remember that GRBV is a Council committee and that elected members have overall responsibility for scrutiny.</p> <p><b>16th December 2022</b></p>	<p>As noted above, a workshop was held on 6 September 2021. Members discussed the challenges of recruitment, training and the potential benefits and drawbacks of independent members joining the committee and the option to have 'expert advisers' to call on when required.</p> <p>It was noted that GRBV members can already request specific 'expert advice' from officer(s) as required.</p> <p>Overall, members agreed that the option of independent members joining the committee was not a recommendation that should be progressed at this stage. Further consideration will be given to this post-election 2022 when the overall model of scrutiny will be considered by Council.</p>

		<p>1.2 In the interim, officers in consultation with relevant conveners will prepare a briefing note for all councillors setting out the Council's current scrutiny process. <b>17th December 2021</b></p>	<p>Members were supportive of this action. This briefing note is currently being developed and will be circulated before the agreed action date.</p>
2	<p>Annually GRBV should set a series of objectives and goals for its scrutiny activities during the financial year (which are then evaluated at year end – see (3) below)</p>	<p>2.1 It is proposed to hold a workshop with committee members and key officers to determine GRBV's goals and objectives at the beginning of the new Council. This review will also consider whether a strategic focus for the Committee could potentially result in an increased perception of politicisation of the committee. The effectiveness of the process will be reviewed at the end of the year to confirm whether this or an adapted model should continue for future years. <b>16th December 2023</b></p> <p>2.2 In the interim officers and committee members will prepare a lessons learned paper that captures the lessons learned relating to GRBV from this iteration of the Council. <b>27th May 2022</b></p>	<p>As noted above, a workshop was held on 6 September 2021. Members were supportive of holding an annual planning session/workshop to develop a GRBV annual plan. This would include an opportunity to reflect on the previous year's plan.</p> <p>As noted above, a workshop was held on 6 September 2021. Members were supportive of this action. This would form part of a wider exercise to capture lessons learnt from all Executive Committees and GRBV to inform the political management arrangements post-election.</p> <p>Officers have developed an evaluation approach that will</p>

			address this recommendation and can be used as part of the wider committee effectiveness later in early 2022. This approach has been shared with the GRBV Convener and a workshop is planned for 12 October. Following this session, an evaluation/lessons learnt paper will be drafted and presented to GRBV for approval.
<b>The Skills and Resources available to GRBV Committee</b>			
3	An annual skills assessment should be undertaken by GRBV. The results should be provided to the political groups to inform appointment of members.	It is proposed that we work with elected members in the new Council to identify skills and experience. This can then be provided to political groups to aid all appointments to committees and ALEOs. This skills audit can then be regularly updated. A self-assessment exercise will be carried out in early 2022 with the executive committees and GRBV which will inform the skills needed for each committee. <b>30th September 2022</b>	This recommendation will be progressed post-election.  As noted above, a workshop was held on 6 September 2021. It was noted that there is an opportunity to identify and use the skills and experience held by members. This will be fed into the skills audit exercise.
4	When the Council's Committee structure is reviewed post the 2022 elections, following the elections, consideration could be given to the GRBV terms of reference: <ul style="list-style-type: none"> <li>• Allowing for the appointment of independent non-voting members with requisite skills.</li> <li>• Allowing the Committee to appoint independent expertise to advise on specific matters</li> </ul>	The Council usually reviews its political management arrangements in the weeks and months after an election. Consideration will include an option to appoint independent non-voting members to GRBV or its successor. This process will involve considering how the appointment of independent	See comments under 1.1

		<p>non-voting members and / or independent expertise could work in practice, and also, any associated financial implications.</p> <p><b>16th December 2022</b></p>	
5	<p>The Governance team are currently reviewing members' training arrangements. For the 2022 appointments, consideration should be given to:</p> <ul style="list-style-type: none"> <li>• The phasing of training over a longer period to allow an understanding of individual's roles to firstly develop.</li> <li>• Mandatory training requirements for GRBV members.</li> <li>• Refresher and specialist topic training being provided during the term of appointment.</li> <li>• Specific training for the GRBV Convenor in respect of the technical aspects of their role e.g. attending external training on the role of an Audit and Risk Committee Chair.</li> </ul>	<p>5.1 Consideration will be given to all of the recommendations as part of the review of elected member training. The phasing of training is a perennial issue and a balance between getting elected members ready quickly for their duties and that being phased to allow for greater understanding is a key consideration. Specific training for the Convenor can be brought in and some refresher and specialist training is carried out over the term, but a more robust programme will be explored.</p> <p>28th October 2022</p> <p>5.2 In the interim, training will be arranged prior to the presentation of the Internal Audit annual opinion and the audited financial statements.</p> <p><b>29th October 2021</b></p>	<p>The work to prepare the training offer for elected members after the election has already commenced and consideration will be given to the bulleted points.</p> <p>As noted above, a workshop was held on 6 September 2021. Members made comments relating to the training offer that have been noted below.</p> <p>Members supported the need for training for GRBV members but there were mixed views on the extent of the training and if it should be mandatory. Comments included:</p> <ul style="list-style-type: none"> <li>• Initial training plus refresher (after a committee meeting)</li> <li>• A similar approach to the training received by members of the EIJB</li> </ul>

			<ul style="list-style-type: none"> <li>• Need for more online and virtual training</li> <li>• Consideration could be given to spreading training across members e.g. 1-2 members could undertake additional training to become committee 'experts'</li> </ul> <p>Members preferred that additional training sessions were held as stand alone sessions rather than before/after a committee meeting.</p> <p>Members noted that doing training, then having a period of actual use, followed by further training and feedback may be beneficial as the second session is then done with the benefit of actual experience.</p>
6	<p>A formal deputising process with set requirements (e.g. completion of mandatory training, understanding of the annual agenda and the goals and objectives for the year) should be established.</p>	<p>This was put into place in the previous Council term but was never sustained. All members would be invited to attend the required training, but it is not proposed that a firm approach is taken to substitute members having attended the required training</p> <p><b>Risk Accepted</b></p>	<p>This risk has been accepted.</p> <p>Mandatory training and/or a restriction on subs can be challenging for smaller political groups.</p>

7	GRBV should undertake an annual effectiveness review against its objectives and goals for the year. This should inform an annual report of its activities highlighting key observations (including positive achievements) and recommendations for the Council.	This will be incorporated into the self-assessment review of committees in 2022 and then will be part of the committee's annual workplan after the Local Government Elections in 2022. <b>29th September 2023</b>	See comments under 2.2. This recommendation will be further progressed in due course.
<b>The Operation of the GRBV Committee's meetings and activities</b>			
8	The GRBV Convenor should agree a protocol with the Executive Committee Convenors for the referral of items from GRBV. This protocol should set out the information which is required to ensure that the referral process works effectively e.g. the specific matters within the report which require attention, the actions recommended to the Executive Committee by GRBV, in relation to the referral.	A protocol for referred items will be drafted following discussions with relevant conveners. This will include provision of covering notes with referral reports that indicate what specific action is required by executive committees and details of any subsequent updates required by GRBV and take account of any additional resource impacts on the Internal Audit team. <b>17th December 2021</b>	Officers are currently drafting a protocol for consideration by the GRBV and Executive Committee Conveners.
9	The referral process should be reviewed to ensure only up to date information is referred in relation to internal audit actions and findings.  This could involve: <ul style="list-style-type: none"> <li>• Red audit findings being immediately referred to the Executive Committees by Internal Audit prior to tabling at GRBV (it is accepted that IA would not have resource to attend all meetings).</li> <li>• Directorates preparing their own updates on the status of internal audit actions for the Executive Committees. The Council wide view would then be presented by Internal Audit at GRBV.</li> </ul>	A protocol for referred items will be drafted following discussions with relevant conveners. <b>17th December 2021</b>	Officers are currently drafting a protocol for consideration by the GRBV and Executive Committee Conveners.
<b>Other operational matters</b>			

10	GRBV could provide further direction to Council Officers in regard to the level of detail the Committee would like included with the papers.	Reporting to committees will be part of the review of political management arrangements and councillors will be able to feed into that process. <b>16th December 2022</b>	This recommendation will be progressed as part of the wider political management arrangements review.
11	Consideration could be given to assigning timings to each agenda item.	This has been tried before and has not been successful due to it not being enforceable. It is not recommended that this is pursued. <b>Risk Accepted</b>	Risk accepted.