

# Minutes

## Governance, Risk and Best Value Committee

10.00am, Tuesday, 13 August 2019

### Present

Councillors Mowat (Convener), Bird, Jim Campbell, Doggart, Gloyer, Main, Munro, Staniforth and Work.

### 1. Minute

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#### Decision

To approve the minute of 4 June 2019 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 10** – Housing Service – Annual External Audit Follow Up

**Action 11** – The Governance Relationship between the Council and the EIJB

**Action 14** – Corporate Leadership Team Risk Report

**Action 18(1)** – Accounts Commission – Safeguarding public money: are you getting it right? – referral from the Finance and Resources Committee

2) To otherwise note the outstanding actions.

(Reference – Outstanding Actions – 13 August 2019, submitted.)

### 3. Work Programme

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#### Decision

To note the Work Programme.

(Reference – Governance, Risk and Best Value Committee Work Programme – 13 August 2019, submitted.)

### 3. Business Bulletin

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#### Decision

To note the Business Bulletin.

(Reference – Governance, Risk and Best Value Committee Business Bulletin – 13 August 2019, submitted.)

### 4. Internal Audit Quarterly Update Report: 1 April to 30 June 2019

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Details were provided of Internal Audit (IA) reviews completed as at 30 June 2019, progress with the 2018/19 IA plan and current IA priorities.

#### Decision

- 1) To note the progress with the delivery of the 2019/20 Internal Audit (IA) plan.
- 2) To note the performance against IA key performance indicators.
- 3) To note the outcomes of the Team Central post implementation review and progress with key IA priorities and ongoing areas of focus.
- 4) To note that there was an item on the agenda for the next Partnership at Work meeting with Trade Unions on how to improve the culture around internal auditing and that this would be proposed as an item for the next Joint Consultative Group meeting.

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

### 5. Internal Audit: Overdue Findings and Late Management Responses as at 1 July 2019

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The current overdue findings arising from Internal Audit (IA) reports and late management responses to draft IA reports were considered. A total of 76 open IA findings remained to be addressed across the Council as at 1 July 2019. This included the remaining 7 of the 26 historic Council findings that were with IA for validation and excluded open and overdue Internal Audit findings for the Edinburgh Integration Joint Board and the Lothian Pension Fund.

#### Decision

- 1) To note the status of the overdue Internal Audit (IA) findings as at 1 July 2019.
- 2) To note the progress with delivery of the 2019/20 IA plan.
- 3) To agree that revised dates would be included for all audits on future reports.

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

## 6. Internal Audit: Proposed additions to the 2019/20 Internal Audit Plan

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A report was presented requesting retrospective approval from the Committee for inclusion of the Transfer of the Management Development Funds (TMDF) review that was added to the 2019/20 IA annual plan at the request of the Scottish Government and for the approval for the incorporation of a review of the financial processes performed by the Council on behalf of the City Deal into the planned review of Budget Setting and Management that was included in the 2019/20 Internal Audit annual plan.

### Decision

- 1) To note the addition of the Transfer of the Management Development Funds (TMDF) Internal Audit (IA) review added to the 2019/20 IA annual plan at the request of the Scottish Government.
- 2) To approve incorporation of a review of the financial processes supporting the Edinburgh and South East Scotland City Region Deal (City Deal) into the planned review of Budget Setting and Management that is included in the 2019/20 Internal Audit annual plan.
- 3) To note that inclusion of these reviews would be accommodated using currently available resources, with no requirement to reprioritise or replace any existing audits included in the plan.

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

## 7. Internal Audit Annual Opinion for the year ended 31 March 2019

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Details were provided on the Internal Audit's annual opinion for the City of Edinburgh Council for the year ended 31 March 2019, prepared in line with the Public Sector Internal Audit Standards requirements.

### Decision

- 1) To note the Internal Audit opinion for the year ended 31 March 2019.
- 2) To request that the Chief Executive, Executive Directors and Chief Officer of the Edinburgh Health and Social Care Partnership, supported by the Chief Internal Auditor, report to the relevant Executive Committee at the earliest opportunity and the subsequent GRBV Committee setting out clear plans to ensure the closure of all historic and overdue internal audit management actions to enable an improvement to the overall Internal Audit Opinion for 2019/20 and to refer all audits with a red finding to the next meeting of the appropriate Executive Committee for their consideration and that action plans would be reported back to GRBV.

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

## 8. Corporate Leadership Team Risk Register

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An update was provided on the Corporate Leadership Team's view of the Council's top risks and the key controls in place to mitigate them as at 17th July 2019. These risks and the associated controls had previously been scrutinised and challenged by the Corporate Leadership Team and were presented for oversight and review.

### Decision

- 1) To note the Corporate Leadership Team Risk Register and the assurance provided by the risk management framework, controls and mitigations in operation.
- 2) To agree that future reports would provide more clarity regarding areas of responsibility for the council and elsewhere with regards to Brexit.

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

## 9. Edinburgh Health and Social Care Partnership Annual Assurance Statement

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The Edinburgh Health and Social care Partnership Annual Assurance Statement was submitted for scrutiny. Details were also provided of areas where controls needed to be enhanced.

### Decision

- 1) To note the annual assurance statement for 2017/18.
- 2) To note the areas where the Partnership was partially compliant and note the actions taken to strengthen the controls to ensure compliance for the 2018/19 assurance statement.

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

## 10. Internal Audit Update for the period 23 October 2018 to 6 May 2019 - referral from the Edinburgh Integration Joint Board Audit and Risk Committee

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The Edinburgh Integration Joint Board (EIJB) Audit and Risk Committee had referred a report on the progress of Internal Audit (IA) assurance activity on behalf of the EIJB performed by the EIJB's partners (the City of Edinburgh Council and NHS Lothian) IA teams to the Governance Risk and Best Value Committee for noting and scrutinising, as a number of the open EIJB Audit findings related to operational service delivery for the Health and Social Care Partnership by the Council.

### Decision

To note the report.

(References – Edinburgh Integration Joint Board Audit and Risk Committee, 31 May 2019; referral from the Edinburgh Integration Joint Board Audit and Risk Committee, submitted.)

## **11. Annual Update on Council Transport Arms-Length Companies - referral from the Transport and Environment Committee**

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The Transport and Environment Committee had referred the Annual Update on Council Transport Arms-Length Companies for consideration. The progress made by Transport for Edinburgh, Edinburgh Trams Limited and Lothian Buses over the last 12 months was reported in line with the Council's governance arrangements, which required an annual update on performance of arm's length organisations. This was the first update on the Transport companies.

### **Decision**

- 1) To note the report.
- 2) To agree that the report to Policy and Sustainability Committee later this year would provide additional clarity regarding the reporting arrangements for ALEOs to the Council and governance schematics and this should be referred back to GRBV.
- 3) To agree that future reports would include a more detail about strategy and communication and accessibility.

(References – Transport and Environment Committee, 20 June 2019 (item 3); referral from the Transport and Environment Committee, submitted.)

## **12. Marketing Edinburgh Annual Update**

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An update was provided on the annual performance of Marketing Edinburgh for the year 2018/19, including a final update on key performance indicators (KPIs) within the Service Level Agreement (SLA) with the Council in 2018/19

### **Decision**

- 1) To note the report.
- 2) To agree that details would be provided about the amount of income generated by Film Edinburgh for the Council.

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

## **13. Financial Systems Access Controls**

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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 Paragraphs 14 of Part 1 of Schedule 7(A) of the Act.

**Decision**

- 1) To note the outcomes of the Financial Systems Access Controls Internal Audit review.
- 2) To refer the report to the Edinburgh Integration Joint Board Audit and Assurance Committee for consideration.

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