Governance, Risk and Best Value Committee

10.00am, Tuesday, 31 October 2023

Governance and Assurance Framework

Executive/routine	**Routine**
Wards	**All**

1.   Recommendations

1.1   To note the update on the development of a Governance & Assurance Framework for the Council.

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Report

Governance and Assurance Framework

2. Executive Summary

2.1 This report provides an update on the phased implementation of the Governance & Assurance Framework (G&AF) for the Council and sets out an action plan for implementing the structure and guidance designed to support and strengthen the framework and in particular the work undertaken to embed improvements in governance.

3. Background

3.1 The Chief Executive's First Line Governance and Assurance Model report to the Governance, Risk and Best Value Committee (GRBV) noted the Chief Internal Auditor's 2020/21 annual opinion. This had identified that there was "a lack of capacity and skills to support effective governance; risk management; control; and assurance activities" within the Council.

3.2 The Chief Executive responded by increasing the resource available in both directorates and the Corporate Governance Team to strengthen the Council's capacity to deliver governance and assurance processes.

3.3 Progress updates were provided in each GRBV Committee Business Bulletin from November 2021 onwards. A progress update on the G&AF was also considered by the GRBV Committee on 1 August 2023. The update set out the key objectives, themes and components of the G&AF, and explained how their connectivity will strengthen the governance and assurance processes within the Council.

4. Main report

Objectives

4.1 The three main objectives of the G&AF are to:

4.1.1 Provide Council employees, elected members, and ultimately the citizens of Edinburgh with an understanding of the scope and operation of governance and assurance processes within the Council.

4.1.2 Develop oversight and scrutiny mechanisms to identify gaps in governance/assurance processes and practice in order to fill those gaps and deliver solutions that can be consistently applied across the Council.

4.1.3 Provide support to Council Officers in their delivery and fulfilment of governance and assurance policies and procedures within their functional roles and services.

4.2 The G&AF seeks to be the holistic combination of legislation, policies, procedures, themes, staffing structure and components detailed in this report, that are required to ensure the successful operation of governance and assurance across the Council. It is essential to recognise that the framework will not be a static concept, but rather is an iterative process designed to consistently develop and improve delivery through better, consistent and more regular scrutiny and oversight of the Council's activities. This will assist in identifying issues before they arise and allow them to be dealt with through effective risk management.

Engagement

4.3 Collective engagement with the new framework between the Corporate Governance Team and directorate colleagues is key in developing the G&AF, with directorates putting in resource to support and strengthen the Council's existing governance and assurance procedures.

4.4 The G&AF has been designed to support a smooth transition into embedding fundamental change in the way in which Governance and Assurance (G&A) functions and activities are completed, monitored, and reported.

4.5 Ultimately, it seeks to build a culture of continuous improvement, self-review and resilience through supporting people and processes to be accountable. This will be achieved through well-structured, planned and rigorous G&A practises, driven by a collective responsibility to seeing G&A activities through to completion.

4.6 The need to ensure that improvements to governance and assurance are embedded into the organisation are highlighted, for example, by the Policy Register. This was a successful piece of work that identified and reviewed policies across the Council, updating them and making them publicly available in a register on the website. Directorates put resource into the register and had a lead officer identified for their policies. However, over the years the support both corporately and in directorates was reduced and an attempt was made to mainstream the work into business as usual. Unfortunately the good work was not maintained and the register became out of date.   The Head of Internal Audit has recently highlighted the state of policies in the Council as a key risk. The approach highlighted in this report will, for example, specifically target the policy register, work closely with directorates to improve the register and policies throughout the Council and work with them with regular meetings to ensure that the solutions identified are embedded into the Council.

Governance – Directorate Business Partnering

4.7 A key component of the framework will be to support directorates and governance officers will perform a 'business partnering' role with directorates that will provide support and guidance with first line assurance activities, and ongoing second line assurance for directorate governance and risk management activities. Further details of the new Business Partnering Model are provided at Appendix 1.

4.8 The Governance Business Partners will also provide advice and guidance to stakeholders in developing effective G&A practices throughout first line roles, in partnership with directorates. Governance Business Partners will also be the first point of contact for directorate colleagues on governance related matters.

4.9 As part of the implementation of the Business Partnering Model, Business Partners will engage with directorates through quarterly meetings to:

4.9.1 Identify G&A Best Practice - Focusing on upcoming governance tasks (e.g., Service Level Agreement Review and Proper Officer/Scheme of Delegation Review). And addressing questions on new information/processes (e.g., the new Subsidy Control Regime implemented on 1 January 2023).

4.9.2 Monitor progress in relation to the Assurance Tasks Register - Which was developed to provide a comprehensive list of first line G&A and risk management activity, outline assurance tasks at corporate and directorate level and ensure owners are indentified for actions. This register documents tasks that flow from the Council's legislative or other statutory responsibilities that are common to all directorates, so that they can be readily identified, actioned, and reported on as part of existing processes.

4.9.3 Develop bespoke versions of the tasks spreadsheet - to address the requirements of sector and/or service specific legislative and statutory responsibilities, which ensures their assurance receives similar attention.

4.9.4 Support a year-round incremental approach to completion of the Annual Assurance Exercise – To ensure that the collation and review of evidence and improvement actions is an ongoing process rather than an onerous full year review at financial year end.

4.9.5 Meet regularly with the Head of Internal Audit to discuss and review the work being carried out by the Corporate Governance Team and directorates within the Assurance Task Register.

4.9.6 Helps ensure a circular flow from issues being identified (via eg Internal Audit, whistleblowing or Health and Safety) and then being added to risk registers (and mitigations added) or dealt with as issues.

Governance Structure

4.10 The Governance Structure for Oversight of Framework (Appendix 2) shows where responsibility sits in the three lines assurance model. The three lines assurance model can be applied to support the effective delivery of both corporate governance and assurance. Key components of the structure include:

4.10.1 A Governance Board - Which will be established with the aim to build a culture of G&A best practice throughout directorates through the issues being discussed and resolved. The Service Director – Legal & Assurance, will Chair the board and the membership will be comprised of subject matter experts on governance and assurance from across the Council. The Governance Board will provide oversight, scrutiny, and support in relation to governance and assurance across the Council.

4.10.2 The Governance Board will also help scrutinise and peer-review the Council's second-line corporate governance functions in the following areas:

4.10.2.1 Committee decision making processes (including committee reporting and legislative requirements).

4.10.2.2 Policy management.

4.10.2.3 Corporate complaints, FOIs and P2P compliance.

4.10.2.4 Outstanding assurance actions.

4.10.2.5 Insurance.

4.10.2.6 Integrated Impacts Assessments.

4.11 The Governance Board will report any issues to the Corporate Leadership Team ("CLT") and/or GRBV Committee and/or Council, where appropriate.

Annual Cycle

4.12 The Annual Cycle (Appendix 3) provides a comprehensive (but not exhaustive) overview of the requirements for reporting and monitoring, and G&A related activity with senior management including CLT and relevant Council executive committees as appropriate. The cycle ensures there is a consistent approach to managing and completing tasks throughout any given year, and continuously improves continuity in key G&A activities each year to build-in 'natural' resilience against issues, such as key person dependencies.

5. Next Steps

5.1 Work will continue to refine and implement the G&AF to ensure continuous improvement and self-review.

5.2 Progress work as detailed in the Governance and Assurance Framework Timeline/Action Plan (Appendix 4)

5.3 A further report will be provided in 6 months outlining further progress and bringing all elements of the framework into one report.

6. Financial impact

6.1 Revenue budget for the Governance and Assurance Framework support is contained within existing budget allocations.

7.   Equality and Poverty Impact

7.1   There are no direct equality and poverty impacts as a result of this report.

8.   Climate and Nature Emergency Implications

8.1   There are no direct climate and nature emergency implications as a result of this report.

9.   Risk, policy, compliance, governance and community impact

9.1   The proposals will support and strengthen the Council's governance and assurance framework.

9.2   Improved assurance outcomes from third line assurance teams (for example, internal audit, external audit and external regulators) should result.

10.   Background reading/external references

10.1   [Governance, Risk and Best Value Committee, 10 August 2021, First Line Governance and Assurance Model](#)

10.2   [Governance, Risk and Best Value Committee, 1 August 2023, Governance and Assurance Framework – Progress Update](#)

11.   Appendices

11.1   Appendix 1 – Business Partnering

11.2   Appendix 2 – Governance Structure for Oversight of Framework.

11.3   Appendix 3 – Annual Cycle

11.4   Appendix 4 - Governance and Assurance Framework Timeline/Action Plan

Governance Team – Business Partnering

A guide to the Business Partnering arrangements in the Councils Governance Team

Version 1.1
07 September 2023

Objective of Business Partnering

The Governance business partners will provide advice and guidance in developing effective Governance & Assurance in partnership with directorates.

Directorate colleagues will be able to get guidance and advise on the following areas:

- **Council's Decision Making Framework 2023** e.g. Procedural Standing Orders for Council and Committee Meetings, Committee Terms of Reference and Delegated Functions and Scheme of Delegation to Officers. Additional support is provided through the Member-Officer Protocol, Financial Regulations, Corporate Debt Policy and Contract Standing Orders

- Self-assessment processes set out in the **Annual Assurance Exercise** and **Corporate Governance Code**

- Scrutiny processes that are provided by the **Annual Governance Statement**, **Internal Audit** and **GRBV**

- **Policy framework**

- **Decision Making Framework:** Scheme of Delegation / Member Officer Protocol

- **Subsidy control regime**

- **ALEOs**

- **Governance and Assurance Framework**

- **Community Councils**

- **Whistleblowing**: Case Management, Liaison between Directorates, Safecall and GRBV, Management actions.

- **Council Registers**: Service Level Agreement, Proper Officer, Urgent Decisions

The aim of introducing business partners as a key component of the Governance and Assurance Framework is to provide ongoing second line assurance on directorate governance and risk management activities where this is not currently provided by established second line teams (for example; Corporate Health and Safety; Corporate Risk Management; and Corporate Resilience).

How the business partnering model will operate

Governance business partners will work closely with Operations Managers in directorates and provide advice, guidance and support on all things Governance and Assurance.

The Governance Business Partners and the Directorates they are assigned to are:

	Directorate	Business Partner(s)
🤝	Corporate Services	Sarah Stirling
🌧️	Place	Marcos Martinez Martin Scott
👨‍🏫	Children, Education and Justice Services	Louise Galloway Alexandra Waterson
🩺	Health and Social Care	Chris Peggie Richard Thrall

Business partners will be happy to attend directorate management meetings on a regular basis or as and when required. They will also be the link between directorate SMTS, and the new Governance Board and the Risk and Assurance Forum.

Governance Structure for Oversight of Framework

Strategy & Direction

- GRBV
- Council Companies Governance Hub
- CLT

FIRST LINE

- Directorate SMTs
- Directorate Operations Managers

SECOND LINE

- Governance Board
- Governance Team Business Partners
- Health and Safety Group
- **Risk Forum**

  Risk & Resilience

  Information Governance

THIRD LINE

- Internal Audit
- External Auditors
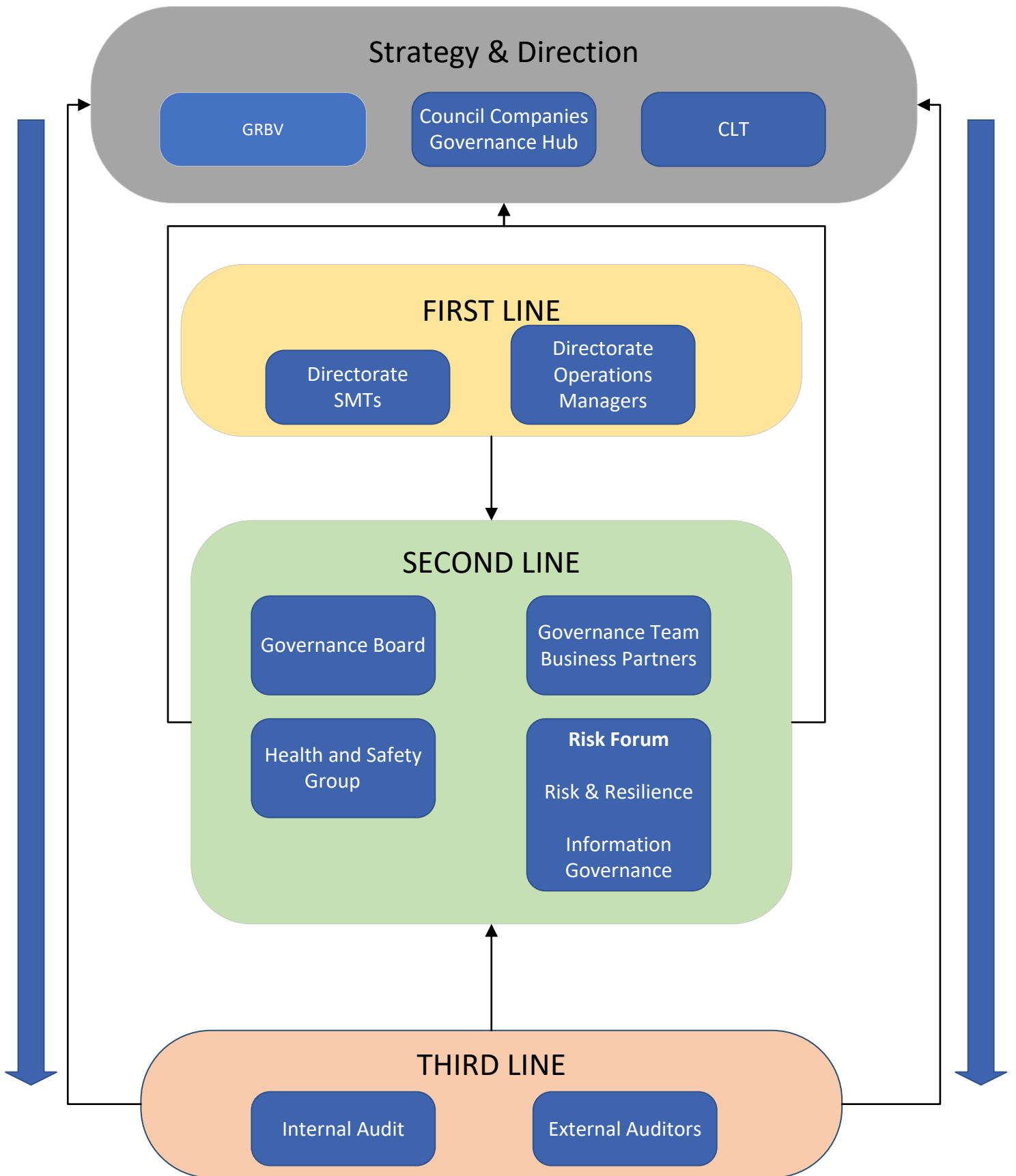
Annual Cycle

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
GRBV 6 Week Cycle	GRBV		GRBV		GRBV			GRBV	GRBV	GRBV	GRBV	
Governance Board						Governance Board - Monthly Meetings						
Business Partners	BP meeting - AAR		BP meeting - AAR			BP meeting - AAR				BP meeting - AAR		
AAE			Annual Assurance Exercise									
AA Schedule	CEJS		Corp Svs Place					H&SC				
Best Value Assurance												
Assurance Task Register	BP meeting		BP meeting			BP meeting				BP meeting		
CGC						Corporate Governance Code						
Annual Governance Statement						Unaudited Accounts		AGS				
Internal Audit			Audit Plan						Annual Report			
Quarterly Updates												
ALEO Register						Update					Update	
Council Companies - Annual Reports	Capital Theatres				Edinburgh Leisure					Capital City Partnership		
	EICC				Transport ALEOs							
ALEO Framework in development TBD												
Health & Safety						Annual Report						
H&S Group												
Risk & Assurance Forum					Risk & Assurance Forum - Monthly meeting							
Policy Register	Update			Update			Update			Update		
Policy Assurance Statements										Customer Svs/HR	Legal and Assurance	
Scheme of Delegation	Update			Update			Update			Update		
Proper Officer Register	Update			Update			Update			Update		
SLA Register			Update						Update			
Corporate Risk Register		Review			Review			Review			Review	

Governance and Assurance Framework Timeline/Action Plan

Task	Lead/Assist	2023 Sep	Oct	Nov	Dec	2024 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2025 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Communication Information	Lead: All																												
Develop Info Pack on G&A Framework - To be used for all briefings on G&A Framework. Will be tweaked & adjusted for specific audiences over time.	All staff to input		09-Oct-23																										
Initial Engagement with Directorates	Lead:																												
Provide Directorates with a status update of the G&A Framework - At the next Risk Forum meeting			17-Oct-23																										
Initiation of Directorate Business Partnership	Lead:																												
Discuss business partnering model with Ops Managers of Directorates (purpose, functions, tasks, etc.) including immediate launch - At next Risk Forum meeting.			17-Oct-23																										
Initial trial roll-out of business partnership																													
Business Partnership - Ongoing	Lead: All																												
Group meetings of Ops Managers and Business Partners from Governance Team - This can be used to inform what is put on the agenda for the Governance Board							▢			▢			▢		▢			▢											
Linkage with Internal Audit	Lead:																												
Discuss issues/concerns of note from IA to inform focuses going forward. *IA will have a representative on the Governance Board.		Initial meeting held 14/9/23		▢		▢			▢			▢		▢															
Linkage with Governance Board	Lead:																												
Highlight focus areas as per IA concerns and upcoming assurance events/activities (per lifecycle), noting support available from Gov team with this. Discuss the ALEOS Framework and Annual Assurance Schedule.							▢			▢						▢													
CLT Engagement	Lead:																												
Discuss G&A Framework - Structure, Model, what we have done, what we will do next etc.			4th																										
Linkage with Senior Management Teams	Lead:																												
Discuss G&A Framework (Structure, Model, what we have done, what we will do next etc.). Meetings to be arranged in conjunction with Ops Managers.							▢			▢			▢		▢														
Business partners to attend initial SMT meeting.							▢																						
GRBV Engagement	Lead:																												
Update GRBV as to status of G&A Framework, Business Partnership etc.			31st																										
GRBV Workshop - To run through framework & associated tools/documentation						▢																							
Future Activities	Lead:																												
Internal Audit Gap Analysis																													
Initial Focus																													
Further Development																													
Existing Processes																													
Tasks Spreadsheet (directorate tab)																													
	Lead:																												