

Governance, Risk and Best Value Committee

10.00am, Tuesday 7 May 2024

Present

Councillor Campell, Cameron, Faccenda, Heap, Jenkinson, Kumar, McFarlane (Substituting from Councillor Kumar), Miller, Mowat, Nols-McVey, Rust and Younie.

Also present

Councillor Lang – (presented on Item 8.2)

1. Motion by Councillor Lang – Safety of Council Operated Heavy Vehicles – Referral from the City of Edinburgh Council

The City of Edinburgh Council had referred a motion by Councillor Lang on the Safety of Council Operated Heavy Vehicles to the Governance Risk and Best Value Committee for consideration of how best to assess vehicle usage and assessment of whether an additional audit for 2024/25 should include a review of Council operated heavy vehicles and whether Council HGV drivers meet all the qualifications for driving such vehicles.

Decision

To agree that officers will include the Council vehicle accident data in Health and Safety reporting.

(Reference – City of Edinburgh Council, 21 March 2024 (item 14); Referral from City of Edinburgh Council)

2. Deputations

GC Live

(in relation to item 8.13 – Award of Contract for Edinburgh’s Winter Festivals – Referral from the Finance and Resource Committee

The Deputation expressed concern over the process for awarding the contract for Edinburgh’s Winter Festival. The deputation expressed concerns in relation to the financial assessment criteria. The deputation also expressed concern regarding the awarding of an emergency contract to the preferred bidder by way of an SPV on the 2 August 2022. The deputation requested that members ask officers to clarify what contractual terms and tender rules were used to bypass tender processes and contract an SPV to the preferred bidder. The deputation also raised concerns in relation to council officers involved in the process who were under investigation for potential conflicts of interest. The deputation proposed that GC Live would forgo the opportunity and drop the

legal challenge if the awarded contract was changed to one year and the process was re-run independently in 2025.

Decision

- 1) To note the deputation by GC Live; and
- 2) To defer Item 8.13 Award of Contract for Edinburgh's Winter Festivals – referral from the Finance and Resources Committee to the meeting of the Governance Risk and Best Value Committee on the 7th of June 2024.

3. Minutes 20 February 2024

Decision

To approve the minute of the Governance Risk and Best Practice Committee of 20 February 2024 as a correct record.

3. Minutes 19 March 2024

Decision

To approve the minute of the Governance Risk and Best Practice Committee of 19 March 2024 as a correct record.

4. Outstanding Actions

The Outstanding Actions for the Governance Risk and Best Practice Committee was presented.

Decision

- 1) To agree to close:
 - Action 1 - Internal Audit Update Report: 1 May to 31 August 2022
 - Action 2.2 - Edinburgh International Conference Centre – Annual Update for the year ending 31 December 2022 – referral from the Finance and Resources Committee
 - Action 3.2 - Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 31 October 2023
 - Action 4.1 - Internal Audit Update Report: Quarter 2 2023/24
 - Action 5 - Corporate Leadership Team Risk Report as at 26 October 2023
 - Action 8 - Analysis of the top five areas of risk associated with issues raised in audits
 - Action 9.2 - Internal Audit Update Report: Quarter 3 2023/24
- 2) To otherwise note the remaining outstanding actions

5. Work Programme

The Governance Risk and Best Practice Committee Work Programme was presented.

Decision

To note the Work Programme.

(Reference – Work Programme 07 May 2024, submitted.)

6. Business Bulletin

The Governance Risk and Best Practice Committee Business Bulletin was presented.

Decision

To note the Business Bulletin.

(Reference – Business Bulletin, 07 May 2024, submitted.)

7. Internal Audit Open and Overdue Internal Audit Actions – Performance Dashboard as at 10 April 2024

The report provided an update to Committee on the progress of open and overdue Internal Audit (IA) management action and key performance indicators as at 29 April 2024.

Decision

- 1) To note the status of open and overdue IA actions and key performance indicators as at 29 April 2024
- 2) To refer paper to the relevant Council Executive committees for ongoing scrutiny of the overdue IA actions relevant to their respective remits; and
- 3) To refer paper to the Edinburgh Integration Joint Board Audit and Assurance Committee for information in relation to the current Health and Social Care Partnership position.

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

8. Internal Audit: Update Report: Quarter 4 2023/24

An update on the delivery of the 2023/24 Internal Audit plan approved by the Committee in March 2023 and the outcomes of internal audit that were completed in quarter 4 of 2023/24 was presented. The outcomes of the final audits which will support the 2023/24 IA annual report and opinion will be presented to the Committee in June 2024, with the annual report and opinion being presented to Committee in September 2024.

A report detailing the outcomes of the audit of Health and Social Care Partnership Financial Sustainability and Monitoring was also presented for scrutiny with a recommendation that the report would be referred to the Policy and Sustainability Committee in line with the Committee request.

Following requests at Full Council on 21 March 2024, Committee was asked to consider and approve the following two additional audits for inclusion in the 2024/25 IA Plan:

- Safety of Council Operated Heavy Vehicles
- Early Years Cross Boundary Places

Appendix 4 of the 2024/25 IA Charter which set out the process for approving changes to the IA Plan had been updated following discussion at the March 2024 GRBV

meeting and was presented for approval. The report also provided an update on progress with key IA priorities including progress with preparing for implementation of the new Global Internal Audit Standards.

Motion

- 1) To note progress with the 2023/24 Internal Audit (IA) plan approved by Committee in March 2023;
- 2) To review the outcomes of 2023/24 internal audits completed in Quarter 4;
- 3) To agree that Full Council request to add the following two audits into the 2024/25 IA plan and requests that internal audit review the webcast of this committee's discussion of 8.2 and that this is considered when the scope of the audit on Safety of Council Operated;
- 4) To refer the audit of Health and Social Care Partnership Financial Sustainability and Monitoring to Policy and Sustainability Committee and requested that they consider monitoring:
 - Recommendation 3.1 which covers the development of the procedure for the council owned elements of the MTFP
 - Recommendation 4.1 which identifies the work required to address factors contributing to delays in inputting financial data in Swift system
- 5) To note that a further progress update on delivery of the 2023/24 IA plan would be provided to Committee in June 2024;
- 6) To consider and approve the Full Council request to add the following two audits into the 2024/25 IA plan:
 - Safety of Council Operated Heavy Vehicles
 - Early Years Cross Boundary Places

And requests that internal audit review the webcast of this committee's discussion of 8.2 and that this is considered when the scope of the audit on Safety of Council Operated Heavy Vehicles is developed;

- 7) To approve an update to Appendix 4 of the 2024/25 IA Charter: Process for approving changes to the Internal Audit annual plan;
- 8) To note key IA priorities including progress with preparation of implementation of the new Global Internal Audit Standards;
- 9) To refer the audit report on Scaffolding for Housing Property Repairs to the HHFW committee and requests that they particularly consider recommendations:
 - Finding 2 on Scaffolding Cost monitoring
 - Finding 3 on Contractor performance monitoring

Both findings are red rated and yet the management response is in many cases to 'review' the audit recommendations but not to wholeheartedly accept them. It is recommended that committee probe officers on development of robust process around these to ensure best value for tenants is being achieved;

- 10) To ask that HHFW request a report which covers the approach Housing Property will take to address the issues raised in the audit findings, including improvements to processes, procedures and a review of the procurement and framework arrangements, and that report is referred back to GRBV for scrutiny; and
 - 11) To agree that a summary of the Committee discussion on the audit on Scaffolding be included with the referred audit.
- moved by Councillor Campbell, seconded by Councillor McFarlane

Amendment 1

- 1) To note progress with the 2023/24 Internal Audit (IA) plan approved by Committee in March 2023;
 - 2) To review the outcomes of 2023/24 internal audits completed in Quarter 4;
 - 3) To agree that Full Council request to add the following two audits into the 2024/25 IA plan and requests that internal audit review the webcast of this committee's discussion of 8.2 and that this is considered when the scope of the audit on Safety of Council Operated;
 - 4) To refer the audit of Health and Social Care Partnership Financial Sustainability and Monitoring to Policy and Sustainability Committee;
 - 5) To note that a further progress update on delivery of the 2023/24 IA plan will be provided to Committee in June 2024
 - 6) To consider and approve the Full Council request to add the following two audits into the 2024/25 IA plan:
 - Safety of Council Operated Heavy Vehicles
 - Early Years Cross Boundary Places
 - 7) To approve an update to Appendix 4 of the 2024/25 IA Charter: Process for approving changes to the Internal Audit annual plan
 - 8) To note key IA priorities including progress with preparation of implementation of the new Global Internal Audit Standards.
 - 9) To refer the audit on Community Centres to the Culture and Communities Committee for consideration in the context of the ongoing development of the Community Centre Strategy.
- moved by Councillor Thornley, seconded by Councillor Younie

In accordance with Standing Order 22.13, the amendment was accepted as an addendum to the motion by Councillor Campbell.

Decision

- 1) To note progress with the 2023/24 Internal Audit (IA) plan approved by Committee in March 2023;
- 2) To note the outcomes of 2023/24 internal audits completed in Quarter 4;

- 3) To refer the audit of Health and Social Care Partnership Financial Sustainability and Monitoring to Policy and Sustainability Committee and requested that they consider monitoring:
 - Recommendation 3.1 which covers the development of the procedure for the council owned elements of the MTFP
 - Recommendation 4.1 which identifies the work required to address factors contributing to delays in inputting financial data in Swift system
- 4) To note that a further progress update on delivery of the 2023/24 IA plan would be provided to Committee in June 2024;
- 5) To agree that Full Council request to add the following two audits into the 2024/25 IA plan and requests that internal audit review the webcast of this committee's discussion of 8.2 and that this is considered when the scope of the audit on Safety of Council Operated;
- 6) To agree and approve the Full Council request to add the following two audits into the 2024/25 IA plan:
 - Safety of Council Operated Heavy Vehicles
 - Early Years Cross Boundary Places
- 7) To agree the update to Appendix 4 of the 2024/25 IA Charter: Process for approving changes to the Internal Audit annual plan
- 8) To note the key IA priorities including progress with preparation of implementation of the new Global Internal Audit Standards.
- 9) To refer the audit report on Scaffolding for Housing Property Repairs to the HHFW committee and requests that they particularly consider recommendations:
 - Finding 2 on Scaffolding Cost monitoring
 - Finding 3 on Contractor performance monitoring

Both findings are red rated and yet the management response is in many cases to 'review' the audit recommendations but not to wholeheartedly accept them. It is recommended that committee probe officers on development of robust process around these to ensure best value for tenants is being achieved.
- 10) To request that Housing Homelessness and Fairwork Committee request a report which covers the approach Housing Property will take to address the issues raised in the audit findings, including improvements to processes, procedures and a review of the procurement and framework arrangements, and that report is referred back to GRBV for scrutiny; and
- 11) To agree that a summary of the Committee discussion on the audit on Scaffolding be included with the referred audit.
- 12) To refer the audit on Community Centres to the Culture and Communities Committee for consideration in the context of the ongoing development of the Community Centre Strategy.

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

9. Public Performance Scorecard Q3

The report was the second Quarterly Public Performance Scorecard which provided an overview of performance across a range of Council services and included data up to the end of December 2023. Analysis of performance for Key Performance Indicators was provided showing current performance against targets, a comparison with the same time last year, and the longer trend over the previous four years where available.

Decision

- 1) To consider the performance shown in the Public Performance Scorecard which covers the reporting period October to December 2023.
- 2) To note that public feedback on the format and content of this report has been gathered in March/April.
- 3) To note a workshop for GRBV elected members had been arranged for 30 May to review content and format.
- 4) To note that the next Public Performance Scorecard would be the Annual Performance Report covering the full year, April 2023 to March 2024.
- 5) To note that in the Education section no score is given for (primary) looked after children achieving numeracy and there is no attainment gap data at all for looked after secondary school pupils or leavers.
- 6) To agree that this data is included in future iterations of the Public Performance Scorecard.

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

10. Corporate Leadership Team Risk Report as at 25 March 2024

The report presented the Council's risk profile as at 25 March 2024, highlighting the most significant risks facing the Council, and identifying key actions being taken in response to those risks. The risk assessments were based on management's view of the internal and external environments within which the City of Edinburgh Council operates, with subsequent actions considered in the context of the Council's risk appetite.

Decision

- 1) To note the Council's risk profile as at 25 March 2024, the most significant risks facing the Council and the key actions being taken by the Council in response to those risks.
- 2) To note the enterprise risks which currently exceed the Council's Risk Appetite levels and the measures being taken in these areas.

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

11. Strategic Programme Board

An overview of the Strategic Programme Board was presented The board reports every six months to the Governance, Risk and Best Value) Committee. In doing so, the committee receives an overview of strategic delivery and the associated risks and issues managed by the SPB.

Decision

- 1) To note the governance and risk management arrangements being used to oversee the development and delivery of the five-year Medium-Term Financial Plan;
- 2) To notes that while this report detailed the governance and risk of the Medium Term Financial Plan, oversight of delivery is the responsibility of the Finance and Resources Committee with policy direction being the responsibility of respective Executive Committee;
- 3) To agree that the governance and risk report should continue to come to GRBV every six months; and
- 4) To agree that officers arrange a workshop covering what is expected of GRVB and what information would be beneficial in relation to scrutinising the Strategic Programme Board report.

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

12. Whistleblowing Annual Report 2023

An overview of the ninth full year of operation of the Council’s whistleblowing service for the period 1 January – 31 December 2023 was provided

Decision

To note the report.

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

13. Annual Treasury Management Strategy 2024-2025 – referral from the City of Edinburgh Council

The City of Edinburgh Council had referred a report on the Annual Treasury Management Strategy 2024-2025 to the Governance, Risk and Best Value Committee of 07 May 2024 for scrutiny.

Decision

To note the report from the City of Edinburgh Council

(References – The City of Edinburgh Council, 21 March 2024 (item 9); referral from the City of Edinburgh Council, submitted.)

14. Capital Strategy 2024-34 – Annual Report – referral from the Finance and Resources Committee

The Finance and Resources Committee had referred a report on the Capital Strategy 2024-34 – Annual Report, to the Governance Risk and Best Value Committee as part

of its work programme.

Decision

To note the report by the Finance and Resources Committee.

(References – Finance and Resources Committee, 14 March 2024 (item 7); referral from the Finance Resources Committee, submitted.)

15. Annual Assurance Schedules for Place 2022/23

The Place directorate annual assurance schedule for the financial year 2022/23 was presented for scrutiny.

Decision

- 1) To note the Place directorate annual assurance schedule for 2022/23, attached in Appendix 1, which was submitted for scrutiny
- 2) To note that the Place directorate annual assurance schedule for 2023/24 would be submitted for Committee scrutiny in 2023/24

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

16. Capital Theatres Company Performance Report 2022-23 – referral from Culture and Communities Committee

The Culture and Communities Committee had referred the Capital Theatres Company Performance Report 2022-23 to the Governance, Risk and Best Value Committee for noting and scrutiny.

Decision

To note the report by the Culture and Communities Committee

(References – Culture and Communities Committee, 29 February 2024 (item 7); referral from the Finance Resources Committee, submitted.)

17. Edinburgh Leisure Annual Report – referral from Culture and Communities Committee

The Culture and Communities Committee had referred the Edinburgh Leisure Annual Report 2022/23 to the Governance, Risk and Best Value Committee for scrutiny.

Decision

To note the report by the Culture and Communities Committee

(References – Culture and Communities Committee, 29 February 2024 (item 13); referral from the Finance Resources Committee, submitted.)

18. Edinburgh Integration Joint Board Chief Officer Update Report – referral from the Policy and Sustainability Committee

The Policy and Sustainability Committee had referred the Edinburgh Integration Joint Board Chief Officer Update Report to the Governance, Risk and Best Value Committee for further scrutiny.

Decision

To note the report by the Policy and Sustainability Committee

(Reference – Policy and Sustainability Committee, 12 March 2024 (item 19); Referral from the Policy and Sustainability Committee)

19. Internal Audit Plan – referral from the IJB Audit and Assurance Committee

The Edinburgh Integration Joint Board had referred the Internal Audit Annual Plan 2024/25, to the Governance, Risk and Best Value Committee for information.

Decision

To note the report by the IJB Audit and Assurance Committee.

(Reference – IJB Audit and Assurance Committee, 5 March 2024 (item 6); Referral from IJB Audit and Assurance Committee)

20. Motion by Councillor Heap – PVG and Insurance Checks

The following motion by Councillor Heap was submitted in terms of Standing Order 17:

- 1) Notes that an internal audit report on Supplier and Contract Management presented to the Governance Risk and Best Value Committee stated that:

*“Contract management arrangements for a large healthcare provider were reviewed as part of the audit sample. It was concluded that supplier contract management arrangements were weak as there were no 1-1 supplier contract meetings due to the large number of suppliers, no KPI performance reporting, and no meeting minutes for supplier meetings. **In addition, compliance activities such as PVG or insurance checks were stopped during the recent pandemic and, as at December 2023, have yet to resume**”* (emphasis added).
- 2) Notes the answer to Written Question 11.1 on the last Full Council’s agenda which states *“assurances that PVG checks are and have always been routinely carried out for anyone who requires it and that processes are in place to ensure this happens prior to commencing employment. Again, appropriate checks are undertaken to ensure insurance requirements are in place.”*
- 3) Notes that, given e-mailed confirmation from IJB officers that some *“spot checks”* were not undertaken and given a press statement that *“Internal audit have highlighted that there is a requirement for the HSCP to improve frequency of spot checks and this will addressed [sic] within the action plan for improvement”*, there is some uncertainty about what checks have and have not been carried out.
- 4) Notes with thanks the helpful clarifications provided to Councillors who have enquired about the issue, but believes clarifications should be put in the public domain
- 5) Requests officers issue within one week of the passage of this motion (if passed), a clarifying briefing to Councillors detailing

- a) The nature of the spot checks which were not done
 - b) If any spot checks were not done, why not
 - c) What risks, if any, were posed to staff and service users as a result of the issues around the spot checks
 - d) What work has been done to establish whether there have been similar issues in other services
 - e) The action plan referred to in the press statement
- Moved by Councillor Heap, Seconded by Councillor Miller

Decision

To approve the motion by Councillor Heap.

21. Motion by Councillor Jenkinson – IT Services Availability

The following motion by Councillor Jenkinson was submitted in terms of Standing Order 17:

- 1) Notes the system-wide IT outage on 11th April 2024 which affected both the learning and teaching (schools) and the corporate (non-schools) networks.
 - 2) Further notes that this planned outage impacted Wi-Fi, landlines, remote access, the Council's website, the Orb, MS Teams, libraries, myHR, Verint, plus many other internal and external facing systems.
 - 3) Agrees that it is inappropriate to plan a system-wide outage during the online working day.
 - 4) Therefore requests a Business Bulletin update to the next meeting of GRBV detailing the business case, technical detail (if not commercially sensitive), impact analysis and any financial implications this planned outage had on the Council.
- Moved by Councillor Jenkinson, seconded by Councillor Faccenda

Decision

To approve the motion by Councillor Jenkinson.

22. Complaints relating to Edinburgh's Christmas

The Committee in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 excludes the public from the meeting during consideration of this item of business on the grounds that it would involve the disclosure of exempt information as defined in Paragraphs 12 of Part 1 of Schedule 7A of the Act.

Decision

Detailed in the Confidential Schedule, signed by the Convener, with reference to this minute.