

# Minutes

## Finance and Resources Committee

10.00am, Thursday, 18 November 2021

### Present

Councillors Munn (Convener), Griffiths (Vice-Convener), Booth, Bruce, Gordon, Hutchison, Johnston, McNeese-Mechan (substituting for Councillor Rankin), Neil Ross, Staniforth (attending in vacant position following resignation of Councillor Corbett) and Watt.

### 1. City of Edinburgh Council - 2020/21 Annual Audit Report to the Council and the Controller of Audit

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The Finance and Resources Committee was presented with a report which summarised the principal findings arising from the Council's 2020/21 external audit. Whilst primarily focused on the review of the financial statements, the wider scope aspects of the audit included consideration of the Council's financial sustainability, financial management, governance and transparency and arrangements to secure and demonstrate value for money.

### Decision

- 1) To note that, following the audit process, it was anticipated that an unqualified audit opinion would be issued on the Council's annual accounts for 2020/21.
- 2) To refer the audited annual accounts to the Finance and Resources Committee for approval and thereafter to Council for noting.
- 3) To note that, following approval by the Finance and Resources Committee, the audited annual accounts would be signed and submitted to the external auditor.
- 4) To note the external auditor's assessment of both implementation of the recommendations contained within the Council's Best Value Assurance Report and across the four dimensions of the wider scope audit and that progress in the delivery of the resulting improvement actions set out in Appendix 4 of the auditor's report would be reported to the Committee during the coming year. To agree:
  - 4.1) That items 1, 2, 3, 4 and 5 would have regular updates to the Executive Committees via their business bulletins on progress and full reports at implementation date detailing completion or outstanding actions.
  - 4.2) That item 6 (Implementation of BVAR recommendations) would be reported to each meeting of the GRBV Committee under the Business Bulletin to monitor progress (tabular form acceptable) towards completion dates.
  - 4.3) That reports would be prepared in the following terms on the areas listed below:

- Common Good – a report reviewing progress towards completion of 2017/18 recommendations on the Common Good Asset Register and what outstanding work there was to complete this and what resource was required (in officer hours) in two cycles and copied to the relevant Executive Committee.
  - Framework for collaboration with community councils – a report detailing current arrangements, funding and how this linked into wider community planning responsibilities with any actions for improvement identified and reporting framework detailed in two cycles and copied to the relevant Executive Committee.
  - Community Asset Transfer – short report in two cycles on current process and timescales to include a table on number of requests received and stage in process with time taken to get to that point.
- 5) To note that, once approved, a summarised version of the annual accounts would also be published on the Council’s website by 30 November 2021.
  - 6) To agree to provide further information to members on the spend relating to Marketing Edinburgh.

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

## **2. Consultants Costs 2020/21**

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Details were provided on the expenditure on consultants for provision of professional services during 2020/21. A revenue expenditure of £4.085m and capital expenditure of £10.866m were incurred for the year ended 31 March 2021. Expenditure of £4.401m was incurred on projects where external income was received, which either fully or partly met the consultancy expenditure incurred.

### **Decision**

- 1) To note that, that revenue expenditure of £4.085m and capital expenditure of £10.866m was incurred for the provision of professional services in the financial year 2020/21.
- 2) To note that, £4.401m of this expenditure was incurred on projects where external income was received by the Council, which either fully or partly met the expenditure incurred.
- 3) To note a briefing note on consultants’ costs related to active travel programme would be circulated to members.

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

## **3. The City of Edinburgh Council Charitable Trusts - report to those charged with governance on the 2020/21 audit**

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This report provided updates to the Committee with the External Auditor’s view on matters arising from the Charitable Trusts audit in compliance with International

Standard on Auditing 260. An unqualified audit opinion was issued on the Trustee's Annual Reports and Accounts for 2020/21.

### **Decision**

- 1) To approve the Trustee's Annual Reports and Accounts for 2020/21 and note that these would be submitted to the External Auditor no later than 30 November 2021 and to the Office of the Scottish Charity Regulator (OSCR) by 31 December 2021
- 2) To note the commentary on the management of the Charitable Trusts included in the Audit Findings Report in Appendix 1.

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

## **4. 2020/21 Common Good Annual Performance Report**

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The report presented the outturn position for the Common Good Fund and the performance of its cash investments for the 2020/21 financial year. The report included an update on the Common Good Property Planned Maintenance Fund and its plans for the 2021/22 financial year. The report also gave an update on current issues affecting Common Good in Edinburgh.

### **Decision**

- 1) To note the report.
- 2) To note that officers would investigate whether Morningside Clock should be included on the common good asset register.

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

## **5. Capacity to deliver the 2021/22 Internal Audit plan**

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Following earlier consideration at the Governance, Risk and Best Value Committee meeting on 9 November, the Finance and Resources Committee was asked to approve the recommendations of the report.

### **Decision**

- 1) To note that the Executive Director of Corporate Services identified in-year funding within the Directorate to meet, in full, one-off costs of up to £0.350m to allow the Internal Audit team's capacity to be increased sufficiently so as to support the issuing of an assurance opinion for 2021/22;
- 2) To approve the drawing down of additional support from the Council's cosourcing partner accordingly.

(Reference – Governance, Risk and Best Value Committee of 9 November 2021 (item 7); report by the Executive Director of Corporate Services, submitted.)