

## Governance, Risk and Best Value Committee

2.00 pm Wednesday 25 September 2013

### Present

Councillors Balfour (Convener), Blacklock, Gardner, Howat, Keil, Lunn, Main, Munro, Orr, Ross, Shields, Tymkewycz and Whyte.

### 1. Minute

---

#### Decision

To approve the minute of the Governance, Risk and Best Value Committee of 15 August 2013 as a correct record.

### 2. Outstanding Actions – September 2013

---

Details were provided of the outstanding actions arising from decisions taken by the Committee.

#### Decision

- 1) To note that actions 3, 4, 7 and 12 had been completed.
- 2) To agree with the proposal from Children and Families to change the wording of the P1 class size (Pledge 2) from “Hold the maximum P1 class size at 25 and seek to reduce class sizes in line with Scottish Government recommendations” to “Hold the maximum P1 class size ratio at 25 and seek to reduce class sizes in line with Scottish Government recommendations” and to refer this as a recommendation to Full Council.

(Reference – Outstanding Actions September 2013, submitted.)

### 3. Governance, Risk and Best Value Work Programme September 2013

---

Approval was sought for the Governance, Risk and Best Value Work Programme for September 2013.

#### Decision

To approve the Work Programme for September 2013.

(Reference – Work Programme September 2013, submitted.)

## 4 Looked After Children: Transformation Programme

---

The Looked After Children Service had developed a transformation programme containing a range of initiatives to shift the balance of care towards more preventative and less costly services. This would avoid a continued increase in costs and deliver cashable savings from 2015/16.

### Decision

- 1) To note the history of growth in numbers of Looked After Children and the associated costs of accommodation.
- 2) To note the national picture of Looked After Children and Edinburgh's relative performance.
- 3) To note the programme of initiatives developed to shift the balance of care towards more preventative and less costly services.
- 4) To note that the next update would be provided in March 2014.
- 5) To request the Director of Children and Families to arrange a presentation for all elected members on their legal responsibilities and the wider issues in relation to Looked After Children.
- 6) To refer the report to the Education, Children and Families Committee for information.

(Reference – report by the Director of Children and Families, submitted.)

## 5. City of Edinburgh Council – Report to those Charged with Governance on the 2012/13 Audit

---

Details were provided of the External Auditor's view on matters arising from their audit in compliance with the International Standard on Auditing 260 (ISA 260). The audited financial statements for 2012/13 were also provided.

David McConnell and Stephen O'Hagan (Audit Scotland) attended the Committee.

### Decision

- 1) To note the audited financial statements for 2012/13 and that these would be submitted to the Controller of Audit.
- 2) To note that the External Auditor's Annual Report on the 2012/13 Audit would be reported to the Governance, Risk and Best Value Committee and Council in November/December 2013.

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

## **6. Lothian and Borders Fire and Rescue Board – Report to those Charged with Governance on 2012/13 Audit and Audited Financial Statements**

---

The Police and Fire Reform (Scotland) Act 2012 transferred the accounting and reporting obligations from the joint board to the accounting authority. The City of Edinburgh Council was the accounting authority for Lothian and Borders Fire and Rescue Board.

Details were provided of the External Auditor's view on matters arising from their audit in compliance with the International Standard on Auditing 260 (ISA 260). The audited financial statements were also provided.

Stephen O'Hagan (Audit Scotland) attended the Committee.

### **Decision**

- 1) To note the report.
- 2) To note the audited Financial Statements of Lothian and Borders Fire and Rescue Board.

### **Decision**

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

## **7. Lothian and Borders Police Board – Report to those Charged with Governance on 2012/13 Audit and Audited Financial Statements**

---

The Police and Fire Reform (Scotland) Act 2012 transferred the accounting and reporting obligations from the joint board to the accounting authority. The City of Edinburgh Council was the accounting authority for Lothian and Borders Police Board.

Details were provided of the External Auditor's view on matters arising from their audit in compliance with the International Standard on Auditing 260 (ISA 260). The audited financial statements were also provided.

Carol Hislop (Audit Scotland) attended the Committee.

### **Decision**

- 1) To note the report.
- 2) To note the audited Financial Statements of Lothian and Borders Police Board.

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

## **8. Internal Audit Plan 2013/14**

---

Approval was sought for the Internal Audit Plan for 2013/14. Progress with the 2012/13 internal audit plan was also provided.

## **Decision**

- 1) To note the progress of Internal Audit in respect of the 2012/13 internal audit plan
- 2) To approve the Internal Audit Plan for the period 1 October 2013 to 31 March 2014.
- 3) To request the Director of Corporate Governance to report back to the Committee in March 2014 with an analysis of the performance of Internal Audit.

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

## **9. Chief Internal Auditor's Annual Report for year ended 31 March 2013**

---

Details were provided of internal audit activity for the financial year ended 31 March 2013. In particular the role and scope of internal audit and its limitations were highlighted.

### **Decision**

To note the annual internal audit opinion for the year ended 31 March 2013.

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

## **10. Internal Audit Annual Activity Report for year to 31 March 2013**

---

Details were provided of internal audit activity for the 2012/13 internal audit plan, in particular highlighting the key findings.

### **Decision**

- 1) To note the progress of Internal Audit in respect of the 2012/13 internal audit plan.
- 2) To request that the Chief Internal Auditor submits a rolling action log of outstanding action plan recommendations to the Governance, Risk and Best Value Committee within a timeframe of 2 months following their consideration by the Corporate Management Team.

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

## **11. Compliance, Risk and Governance Programme: Review of Council Policy – Referral from Corporate Policy and Strategy Committee**

---

The Corporate Policy and Strategy Committee on 3 September 2013 had referred the review of Council policies which aimed to rationalise existing policies, publish and ensure that an appropriate process of update and review was in place.

## **Decision**

- 1) To note the report.
- 2) To request that the Director of Corporate Governance reports to the Governance, Risk and Best Value Committee in March 2014 with an update on progress with implementing the Council's policy register together with an analysis of feedback from the Pride in Our People events.

(Reference – report by the Head of Legal, Risk and Compliance, submitted.)

## **12. Capital Monitoring 2012/2013 – Outturn Slippage and Receipts – Referral from the Finance and Budget Committee**

---

The Finance and Budget Committee on 29 August 2013 had referred the final outturn on the Council's Capital Programme for 2012/13.

### **Decision**

- 1) To note the report.
- 2) To include revenue costs in reports outlining capital borrowing for projects.

(Reference – report by the Head of Legal, Risk and Compliance, submitted.)

## **13. Revenue Monitoring 2012/2013 – Outturn Report – Referral from the Finance and Budget Committee**

---

The Finance and Budget Committee on 29 August 2013 had referred the provisional overall 2012/13 return outturn position for the Council, based on the unaudited statement of accounts.

### **Decision**

To note the report.

(Reference – report by the Head of Legal, Risk and Compliance, submitted.)

## **14. Treasury Management: Annual Report 2012/13 – Referral from Council**

---

The Council on 22 August 2013 had referred a report detailing the Treasury Management activity undertaken and the performance of the Council's treasury function during 2012/13.

### **Decision**

- 1) To note the report.
- 2) To request that the Director of Corporate Governance arranges a further training session for all elected members on the treasury function.

(Reference – report by the Head of Legal, Risk and Compliance, submitted.)

## **15. Internal Audit Quarterly Activity Report – September 2013**

---

The Council, 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 Paragraph 12 of Part 1 of Schedule 7(A) of the Act.

Details were provided of the internal audit management plans completed since 1 April 2013.

### **Decision**

To note the progress of Internal Audit in respect of the 2012/13 internal audit plan and to note the areas of higher priority findings.

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

## **16. Housing Benefit – Risk Based Verification Policy – Referral from Corporate Policy and Strategy Committee**

---

The Council, 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 Paragraph 14 of Part 1 of Schedule 7(A) of the Act.

The Corporate Policy and Strategy Committee on 3 September 2013 had referred a report on a new scheme by the Department for Works and Pensions for the Council to utilise, based on Risk Based Verification for administering housing benefit claims.

### **Decision**

To note the report.

(Reference – report by the Head of Legal, Risk and Compliance, submitted.)