

Governance, Risk and Best Value Committee

10.00 am, Thursday, 3 April 2014

Present

Councillors Balfour (Convener), Blacklock, Child, Dixon (Substituting for Councillor Howat), Jackson (substituting for Councillor Whyte), Gardner, Keil, Lunn, Main, Munro, Shields, and Tymkewycz.

1. Minute's Silence

The Committee observed a minute's silence as a mark of respect for Keane Wallis-Bennett.

2. Minute

Decision

To approve the minute of the Governance, Risk and Best Value Committee of 6 March 2014 as a correct record.

3. Outstanding Actions – April 2014

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

Decision

- 1) To agree to close items 1, 10, 15, 16 and 19.
- 2) To add the Children and Families Revenue Asset Management Priorities 2014-19 report to the work programme.

(Reference – Outstanding Actions April 2014, submitted.)

4. Governance, Risk and Best Value Work Programme April 2014

Approval was sought for the Governance, Risk and Best Value Work Programme for April 2014.

Decision

- 1) To approve the work programme.
- 2) To request that a report in respect of maintenance issues at the Cameron House Community Centre be submitted to the Education, Children and Families

Committee in 2 cycles, prior to coming to Governance, Risk and Best Value Committee for scrutiny.

(Reference – Work Programme April 2014, submitted.)

5. External Audit – Annual Audit Plan

Details were provided of the external auditor's Annual Audit Plan which included a summary of planned audit activity, and also defined responsibilities, reviewed risks and detailed fees and resources.

Representatives of Audit Scotland attended for this item.

Decision

- 1) To note the external auditor's Annual Audit Plan.
- 2) To note that progress against the plan would be reported to Committee.

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

6. Edinburgh Tram Project Update – April 2014

Details were provided of progress made in respect of the Edinburgh Tram Project from 14 November 2013 to April 2014. The report updated on the governance arrangements and gave financial information to the end of period 12 of financial year 2013/14. It was expected to be the last update prior to the commencement of revenue service.

Decision

- 1) To note:-
 - a) The effectiveness of the project governance arrangements;
 - b) The completion of the Constructor's work on 14 March 2014 and the progression to testing and timetable running on 17 March 2014, led by Edinburgh Trams, the Operator;
 - c) The budget, completion of final account and financial close; and
 - d) The proposed demobilisation of the tram project offices and the creation of a project file library.
- 2) To thank Colin Smith and Alan Coyle for their work on the tram project and reports to Committee.

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

7. Internal Audit 2013/14 – Overview of Internal Audit follow-up arrangements and status as at 28 February 2014

An overview of new procedures for Internal Audit follow-up action was provided. An update on the status of follow-up actions identified by Internal Audit was also given.

Decision

- 1) To request a further report at the June meeting requesting information on:
 - a) The implementation of the exit policy for staff and, in particular, how it was applied regarding IT;
 - b) The protocols in place for officers when determining, taking and managing 'acceptable' risk.
- 2) That future reports detail when risks were highlighted and when they were likely to be addressed.

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

8. Internal Audit Quarterly Update Report to 28 February 2014

Details were given of progress made in delivery of the 2013/14 Internal Audit plan. A list of Internal Audit reviews completed since 1 November 2013 and a summary of 'high risk' findings was also provided.

Decision

To note the progress of Internal Audit in respect of the 2013/14 internal audit plan, and the areas of higher priority findings.

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

9. Internal Audit Plan 2014/15

Approval was sought for the Internal Audit Plan 2014/15, which detailed work to be undertaken by Internal Audit during the period 1 April 2014 to 31 March 2015.

Decision

- 1) To approve the Internal Audit plan for the period 1 April 2014 to 31 March 2015.
- 2) To ask for clarification regarding the inclusion of James Gillespie's School as an area for income review given that it had been demolished.
- 3) To request that cognisance be taken of quality and nutritional value when examining value for money in regard to school meals.

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

10. CMT Risk Register

The Corporate Management Team's (CMT) risk register as at 20 March 2014 was considered. It had been updated to reflect the current highest priority risks of the Council, and detailed the controls and related action plans to mitigate these risks.

Decision

- 1) To ask that the risk register be brought to Committee on a quarterly basis.

- 2) To agree that a service area risk register should be presented to the committee at the meetings where the CMT risk register was considered as part of a rolling programme covering all service areas on an annual basis.
- 3) To ask if any of the service area risk registers included a failure to comply with the Equalities and Human Rights Acts.
- 4) To thank Lorna Stewart for her work for the Council and wish her well in the future.

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

11. Annual Treasury Strategy – Referral from the City of Edinburgh Council

The Treasury Management Strategy for 2014/15 had been referred to the Governance, Risk and Best Value Committee by the Council on 13 March 2014 for further scrutiny. The Strategy included estimates of funding requirements, an economic forecast and borrowing and investment strategies.

Decision

To agree that, in future, the Annual Treasury Strategy should be scrutinised by the appropriate Committee (currently Finance and Resources Committee) prior to its submission to full Council for approval.

(References – City of Edinburgh Council 13 March 2014 (item 6); referral from the City of Edinburgh Council, submitted.)

12. Resolution to Consider in Private

Decision

The Committee, under Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting for consideration of the following items of business on the grounds that it involved the disclosure of exempt information as defined in Paragraphs 6 and 12 of Schedule 7(A) of the Act.

13. Morningside Library – 2011 Upgrade Works

The Culture and Sport Committee, at its meeting on 17 December 2013, had referred an update on remedial works carried out at Morningside Library to the Governance, Risk and Best Value Committee for information.

Decision

To note the report and the decisions made by the Culture and Sport Committee meeting of 17 December 2013.

(References – Culture and Sport Committee 17 December 2014 (item 14), referral from the Culture and Sport Committee, submitted.)

14. Council Powers in Relation to Poor Performance of Contractors – Referral from the Corporate Policy and Strategy Committee

The Corporate Policy and Strategy Committee of 25 March 2014 had considered a report which outlined the Council's position regarding contractors on a procurement framework whose work fell below that stipulated by the framework, and who, having carried out sub-standard works, sought further work from the Council. The report had been referred to the Governance, Risk and Best Value Committee for information.

Decision

To note the report, and the decisions made by the Corporate Policy and Strategy Committee meeting of 25 March 2014.

(References – Corporate Policy and Strategy Committee 25 March 2014 (item 12); referral report from the Corporate Policy and Strategy Committee, submitted.)

15. Governance of Major Projects – Water of Leith and Braid Burn Flood Prevention Schemes

The Governance, Risk and Best Value Committee had previously considered a report which detailed governance arrangements to ensure lessons learnt were taken forward to the next phase of the Water of Leith Flood Prevention Scheme. Six questions from members had arisen from the report and responses to them were now provided.

Decision

- 1) To note the responses to members' questions from the meeting of the Governance, Risk and Best Value Committee of 30 January 2014.
- 2) To ask that the governance arrangements of the Water of Leith Flood Prevention Scheme be submitted to the committee prior to the tendering of Phase 2.
- 3) That a briefing should be given to all political groups on the lessons learnt on major projects, with particular reference to the Water of Leith Flood Prevention Scheme.

(Reference – report by the Director of Services for Communities, submitted.)