

## Governance, Risk and Best Value Committee

10.00am, Tuesday, 8 May 2018

### Present

Councillors Mowat (Convener), Main (Vice-Convener), Bird, Bridgman, Jim Campbell, Howie, Lang, Mitchell (substituting for Councillor Doggart), Munro, Rae and Watt.

### 1. Minute

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#### Decision

To approve the minute of 20 March 2018 as a correct record subject to noting that a briefing note would be circulated by the Executive Director for Communities and Families in relation to Item 2 – Outstanding Actions on the current position on the pilot scheme for ICT in schools.

#### Declaration of Interests

Councillor Main declared a non-financial interest in the above item as the parent of a young person at James Gillespie's High School.

### 2. Outstanding Actions

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

#### Decision

1) To agree to close the following Actions:

**Action 5** - Internal Audit Quarterly Update Report – Edinburgh Building Services

**Action 10** - Internal Audit Quarterly Update Report – Homelessness Provision

**Action 16** - 2016-17 Annual Audit Report and Review of Internal Controls – Progress Update

**Action 17** - External Audit Review of CGI IT Security Controls – Progress Update

**Action 18** – Risks Arising from Carillion PLC Entering Administration

**Action 20(3)** - Internal Audit Quarterly Update Report – Adult Drug and Alcohol

**Action 21** - Audit Scotland Report – Equal Pay in Scottish Councils.

- 2) To ask that expected completion dates be provided for the following actions:

**Action 1 – Committee Report Process**

**Action 4 – Home Care Re-ablement Service Contact Time**

- 3) **Action 7(2) - Governance of Major Projects** – To ask the Executive Director for Communities and Families to set up a workshop for members to enable them to contribute to the scoping of the lessons learned report together with an expected completion date for the action.
- 4) **Action 19(2) – Licensing Forum – Review of Constitution and Membership** – to note that the expected completion date was June 2018.
- 5) To note the remaining outstanding actions.

(Reference – Outstanding Actions – 8 May 2018, submitted.)

### 3. Work Programme

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#### Decision

To note the work programme.

(Reference – Governance, Risk and Best Value Committee Work Programme – 8 May 2018, submitted.)

### 4. 2016-17 – Annual Audit Report and Review of Internal Controls – Progress Update

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An update was provided on the progress of the Annual Audit Report and review of the Council's Internal Control framework against the agreed improvement actions.

#### Decision

To note the progress made in addressing the remaining actions contained within the 2016/17 Annual Audit Report and review of the Council's internal control framework report.

(References – Governance, Risk and Best Value Committee 26 September 2017 (item 9); joint report by the Chief Executive and the Executive Director of Resources, submitted.)

### 5. Internal Audit Report – Building Standards March 2018

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The outcomes of the Internal Audit review of Building Standards was presented.

#### Decision

- 1) To note the outcomes of the March 2018 Building Standards review and the progress being made by Building Standards towards addressing the findings raised by both the Scottish Government Building Standards Division and Internal Audit.
- 2) To note that a copy of the final report would be shared with the Scottish Government Building Standards Division.

- 3) To ask that an internal briefing be held with the Scottish Government Improvement Team to update members on the current position.
- 4) To ask that training on Building Standards be provided for members of the Planning Committee and a reporting framework to that Committee be set up.
- 5) To note that a further update would be provided in August 2018.

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

## **6. Internal Audit Report – Historic Internal Audit Findings**

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The Convener ruled that the following motion, notice of which had been given at the start of the meeting, be considered as a matter of urgency to allow the Committee to give early consideration to this matter.

An update was provided on the validation exercise which had been carried out to establish whether the Council was exposed to significant service delivery risks relating to audit activity from 1 April 2015.

### **Motion**

Committee:

Requests the Chief Executive to provide a fully populated version of Table 1 at Appendix 2 to the next meeting of the Committee detailing:

- 1) Audit Finding identified;
- 2) Current position of Audit Finding; has it been treated, ignored or whether it is no longer extant;
- 3) How each outstanding Audit Finding is to be treated to minimise the risk to the Council and the timescale in which necessary actions will be carried out;
- 4) The resource required by each Directorate to carry out the actions detailed at 3 above;
- 5) Any additional resource required by the Council's Internal Audit function to ensure that the actions identified in the paragraphs above can be undertaken;
- 6) Where any additional resource identified will come from and the impact of this on Service Delivery;

Further that a list of work being carried out by each Service is prepared and brought to each Committee so consideration can be given to what projects can be delayed or set aside in order to create sufficient time for staff to carry out the remedial actions required.

Reminds officers and Councillors that scrutiny and mitigation of risks as identified during internal audits is the responsibility of all to ensure reduced risks and improved performance thus protecting frontline services via efficient use of finances and therefore recommends:

that high and medium level findings which are not treated by officers in the timescale agreed with Internal Audit (overdue findings) are forwarded to the relevant Executive Committee with a revised report format which makes clear that it is the responsibility of Executive Committees to ensure that any high or medium audit findings within the remit of their Committee are dealt with by officers and risks appropriately treated or mitigated.

- moved by Councillor Mowat, seconded by Councillor Main

### **Amendment**

To agree the terms of the motion by Councillor Mowat subject to the addition of the word “audit” in the paragraph after 6), to read “Further that a list of audit work.....”

- moved by Councillor Bird, seconded by Councillor Watt

In accordance with Standing Order 20(7), the amendment was accepted as an addendum to the motion.

### **Decision**

To approve the following adjusted motion by Councillor Mowat:

Committee:

Requests the Chief Executive to provide a fully populated version of Table 1 at Appendix 2 to the next meeting of the Committee detailing:

- 1) Audit Finding identified;
- 2) Current position of Audit Finding; has it been treated, ignored or whether it is no longer extant;
- 3) How each outstanding Audit Finding is to be treated to minimise the risk to the Council and the timescale in which necessary actions will be carried out;
- 4) The resource required by each Directorate to carry out the actions detailed at 3 above;
- 5) Any additional resource required by the Council’s Internal Audit function to ensure that the actions identified in the paragraphs above can be undertaken;
- 6) Where any additional resource identified will come from and the impact of this on Service Delivery;

Further that a list of audit work being carried out by each Service is prepared and brought to each Committee so consideration can be given to what projects can be delayed or set aside in order to create sufficient time for staff to carry out the remedial actions required.

Reminds officers and Councillors that scrutiny and mitigation of risks as identified during internal audits is the responsibility of all to ensure reduced risks and improved performance thus protecting frontline services via efficient use of finances and therefore recommends:

that high and medium level findings which are not treated by officers in the timescale agreed with Internal Audit (overdue findings) are forwarded to the relevant Executive Committee with a revised report format which makes clear that it is the responsibility of Executive Committees to ensure that any high or medium audit findings within the remit of their Committee are dealt with by officers and risks appropriately treated or mitigated. (Reference – report by the Chief Internal Auditor, submitted.)

## **7. Accounts Commission Report on Edinburgh Schools**

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Details were provided on the Accounts Commission recently published report in relation to Edinburgh Schools and in particular the closure of multiple schools in 2016.

### **Decision**

To note the content of the Accounts Commission report.

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

## **8. Corporate Leadership Team Risk Update**

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Details were provided on the Council's top risks and the key controls in place to mitigate them as at 4 April 2018. These risks and associated controls had been scrutinised and challenged by the Corporate Leadership Team and were presented for oversight and review.

### **Decision**

- 1) To note the report by the Executive Director of Resources.
- 2) To request, where appropriate, further updates from relevant officers to discuss the key risks and mitigating actions identified.

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

## **9. Governance Arrangements for the Edinburgh Alcohol and Drug Partnership**

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The Committee had called for a report on the Edinburgh Alcohol and Drug Partnership governance and reporting arrangements.

Details were provided on the operating arrangements for the Edinburgh Alcohol and Drug Partnership which included governance and key agreed priorities for the city.

### **Decision**

To note the report by the Chief Social Work Officer and Head of Safer and Stronger Communities.

(References – Governance, Risk and Best Value Committee 20 March 2018 (item 4); report by the Chief Social Work Officer and Head of Safer and Stronger Communities, submitted.)

## 10. Status of the ICT Programme

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Details were provided on the programme of works within ICT and the current services delivered by the Council's external ICT partner, CGI.

### Decision

- 1) To note the report by the Executive Director of Resources.
- 2) To ask that productivity measures be included in the revised dashboard.
- 3) To call for a programme to measure milestones over time going forward with and end date of June 2019.
- 4) To request that the Governance, Risk and Best Value committee is provided with a programme for the End User Compute Project to enable milestones to be measured by the Committee.
- 5) To ask the Executive Director to provide a quarterly report which includes a programme with timescales of "stable service", detailing the 28 transformation projects including those that have been completed and those awaiting commencement and when they can be expected.
- 6) To ask the Executive Director to provide information to members on the on-line fault reporting system.

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

## 11 External Audit Review of CGI IT Security Controls – Progress Update

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The Committee, 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.

An update was provided on progress with the implementation of the agreed improvement actions in collaboration between CGI, the Council's ICT partner and by the Council's ICT service.

### Decision

To note the progress update on the identified external audit actions, as externally assessed by Scott Moncrieff.

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