



CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Tuesday, 27th March, 2012
at 2.00 pm

MEMBERSHIP

Councillors

G Driver (Chair)	C Campbell	W Hyde	J Elliott
P Grahame	G Kirkland	C Fox	
N Taggart			
A Lowe			
T Hanley			
G Hussain			

Co-opted Member

Mr G Tollefson
(Chair of Standards Committee)

A G E N D A

Item No	Ward	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(*In accordance with Procedure Rule 25, written notice of an appeal must be received by the Head of Governance Services at least 24 hours before the meeting)</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-</p>	

Item No	Ward	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
4			<p>DECLARATION OF INTERESTS</p> <p>To declare any personal / prejudicial interests for the purpose of Section 81(3) if the Local Government Act 2000 and paragraphs 8 to 12 of the Members Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE</p> <p>To receive any apologies for absence from the meeting.</p>	
6			<p>MINUTES OF THE PREVIOUS MEETING</p> <p>To confirm as a correct record the minutes of the meeting held on 27th February 2012.</p>	1 - 4
7			<p>CHAIR'S REMARKS</p> <p>To receive any remarks the Chair wishes to make with regards to developments affecting the Committee.</p>	
8			<p>FINANCIAL PLANNING AND MANAGEMENT ARRANGEMENTS</p> <p>To receive a report of the Director of Resources report outlining the key systems and procedures which are in place to ensure that the Council delivers sound financial planning and management whilst ensuring the maintenance of adequate reserves.</p>	5 - 20

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9			<p>ANNUAL INFORMATION SECURITY REPORT</p> <p>To receive a report of the Assistance Chief Executive (Customer Access and Performance) providing the Committee with an annual report on the steps being taken to improve Leeds City Council's information security in order to provide assurance for the Annual Governance Statement.</p>	21 - 46
10		10.4(7)	<p>RISK-BASED VERIFICATION POLICY</p> <p>To receive a report of the Director of Resources outlining the proposed changes to the verification of housing and council tax benefit claims by introducing a risk-based verification process.</p>	47 - 84
11			<p>BUSINESS CONTINUITY PROGRAMME UPDATE</p> <p>To receive a report of the Director of Resources provide assurance on the adequacy of policies and practices surrounding Business Continuity arrangements.</p>	85 - 90
12			<p>WORK PROGRAMME</p> <p>To receive a report of the Director of Resources notifying and inviting comment from the Committee on the work programme.</p>	91 - 96

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CONFIDENTIAL AND EXEMPT ITEMS

The reason for confidentiality or exemption is stated on the agenda and on each of the reports in terms of Access to Information Procedure Rules 9.2 or 10.4(1) to (7). The number or numbers stated in the agenda and reports correspond to the reasons for exemption / confidentiality below:

9.0 Confidential information – requirement to exclude public access

9.1 The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed. Likewise, public access to reports, background papers, and minutes will also be excluded.

9.2 Confidential information means

- (a) information given to the Council by a Government Department on terms which forbid its public disclosure or
- (b) information the disclosure of which to the public is prohibited by or under another Act or by Court Order. Generally personal information which identifies an individual, must not be disclosed under the data protection and human rights rules.

10.0 Exempt information – discretion to exclude public access

10.1 The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed provided:

- (a) the meeting resolves so to exclude the public, and that resolution identifies the proceedings or part of the proceedings to which it applies, and
- (b) that resolution states by reference to the descriptions in Schedule 12A to the Local Government Act 1972 (paragraph 10.4 below) the description of the exempt information giving rise to the exclusion of the public.
- (c) that resolution states, by reference to reasons given in a relevant report or otherwise, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10.2 In these circumstances, public access to reports, background papers and minutes will also be excluded.

10.3 Where the meeting will determine any person’s civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

10.4 Exempt information means information falling within the following categories (subject to any condition):

- 1 Information relating to any individual
- 2 Information which is likely to reveal the identity of an individual.
- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 4 Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or officer-holders under the authority.
- 5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- 6 Information which reveals that the authority proposes –
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment
- 7 Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

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Agenda Item 6

Corporate Governance and Audit Committee

Monday, 27th February, 2012

PRESENT: Councillor G Driver in the Chair
Councillors N Taggart, C Campbell,
G Kirkland, J Elliott, W Hyde, T Hanley,
C Fox and G Hussain

Co-optee Mr G Tollefson

Apologies Councillors P Grahame and A Lowe

73 Appeals Against Refusal of Inspection of Documents

There were no appeals against the refusal of inspection of documents.

74 Exempt Information - Possible Exclusion of the Press and Public

There were no exemptions to exclude the public.

75 Late Items

There were no late items submitted to the agenda for consideration.

76 Declaration of Interests

There were no declarations made at this part or any other part of the meeting.

77 Apologies For Absence

Apologies for absence were received from Councillors A Lowe and P Grahame.

78 Minutes of the Previous Meeting

The minutes of the Corporate Governance and Audit Committee held on 23rd January 2012 were approved as a correct record.

79 Chair's Remarks

The Chair updated the Committee on February's Core Cities Audit Chair's meeting and highlighted the importance of the Core City authorities working with one another, learning from one another and, in the present circumstances, making a joint approach to the DCLG to ensure that any

Draft minutes to be approved at the meeting
to be held on Tuesday, 27th March, 2012

changes it seeks to make in our audit arrangements are of the highest possible quality and make the best use of the resources available to us.. . Members' attention was drawn to a newsletter has been produced to highlight key issues which is being circulated to the Audit Committees of all eight Core City authorities..

The Chair invited the Chief Officer (Audit and Risk) to provide further details on the DCLG's latest proposals for the audit of local authorities. The Committee were informed discussions are ongoing regarding the possibility of Core Cities forming a panel from their own Audit Committee members who might act as independent external members in the appointment of external auditors to authorities other than their own, thus minimising costs and making maximum use of the specialist knowledge and understanding of the financial systems of big-city authorities. Audit Committee Chairs are to meet again to discuss this option.

80 Transforming Procurement Programme Position Statement

The Chair welcomed this important and timely paper and invited the Senior Executive Manager (Project and Technical Management) to present the report of the Chief Officer (PPPU and Procurement). The report informed the Committee of progress made with respect to the Transforming Procurement Programme and described the systematic approach being taken to ensure that procurement practice across the Council can achieve the highest possible standards.

Members sought assurances in respect of the current procurement procedures and the extent to which they are fit for purpose.

While recognising the ever-present need to maximise value-for-money, members highlighted the importance of the Council's purchasing power in achieving wider social benefits, particularly in how the local economy and local employment can be supported. Members urged officers to examine all available methods whereby businesses of all sorts and sizes local to Leeds could be supported and encouraged to tender for Leeds City Council contracts.

Members asked that further awareness training on procurement be arranged for Members and that regular progress reports be brought to this Committee with regards to the transformation of procurement.

RESOLVED – The Committee resolved to:

- (a) note the contents of the report;
- (b) request a training session take place for all Councillors on procurement activities; and
- (c) request regular reports updating the Committee on the transformation of procurement.

(Councillor N Taggart entered the meeting during discussion of this item at 2:36pm)

81 Procurement Policies and Procedures

The Procurement, Governance and Regulations Manager presented a report of the Director of Resources. The report informed the Committee of the procurement policies and procedures that are in place at the Council and whether these are fit for purpose.

Members sought assurance in respect of the extent to which off contract spend is being managed and endeavours made to ensure value for money is achieved.

Members also challenged the risks to the City Council and to Members should there be a failure to comply with Contract Procedure Rules. Members were informed by the Chief Officer (Audit and Risk) that non compliance with Contract Procedure Rules was a risk featured on the Resources Directorate risk register, and as such was regularly reviewed.

Members stressed the importance of continuing to monitor compliance with Contract Procedure Rules and requested that regular reports be submitted to this Committee.

RESOLVED – The Committee resolved to:

- (a) note the contents of the report; and
- (b) request regular update reports on developments in monitoring compliance with Contract Procedure Rules.

82 DCLG Code of Recommended Practice for Council Transparency

The Chief Officer (Financial Management) presented a report of the Director of Resources. The report set out what information was currently published by the Council in relation to the DCLG Code of Recommended Practice for Council Transparency. The report also informed the Committee of what steps are being taken to move to full compliance with the code.

Members considered the report and discussed what requests for information were being received by the Council and whether compliance with the Code of Recommended Practice might lead to a reduction in the number of Freedom of Information requests dealt with by the Council.

RESOLVED – The Committee resolved to note:

- (a) the new Code of Recommended Practice for Council Transparency; and

- (b) the Council's progress towards implementing the requirements of the code.

83 KPMG External Audit Plan 2011/12

The Principal Financial Manager presented a report of the Director of Resources which informed the Committee of KPMG's audit plan for the audit of the Council's accounts and Value for Money arrangements. The attached KPMG report at Appendix 1 highlighted the risk based approach to the audit and the main risks identified by KPMG for 2011/12. The report also provided the Committee with a summary of the action undertaken.

Steve Clark and Heather Garrett of KPMG were in attendance for this item.

RESOLVED – The Committee resolved to:

- (a) agree the external audit plan; and
- (b) note the action taken by officers to manage the risks identified.

84 KPMG Certification of grants and returns 2010/11

The Principal Financial Manager presented a report of the Director of Resources. The report informed the Committee on the result of the work KPMG have carried out on the certification of grant claims in respect of 2010/11.

Members discussed the report and considered the reasons why some claims had been qualified and others required audit adjustments.

RESOLVED – The Committee resolve to note the results of the 2010/11 audit of grants and returns.

85 Work Programme

The Director of Resources submitted a report notifying Members of the Work Programme.

The Committee reviewed its forthcoming work programme and were informed of changes made to the work programme which have been made since the last meeting, to ensure that it is aligned to the Annual Governance Statement.

The Committee also noted the work that is ongoing to compare its work programme with the work programmes of the other Core Cities.

RESOLVED - The Committee resolved to note the work programme.

Report of the Director of Resources

Report to Corporate Governance and Audit Committee

Date: 27 March 2012

Subject: Financial Planning and Management Arrangements

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

Given the significant financial challenge that the Council is facing, ensuring that we have in place appropriate arrangements to deliver sound financial management and planning is perhaps more critical than ever before. This report discusses the role of the Council's Section 151 officer in relation to these arrangements, and identifies through the key financial processes, how our arrangements operate to provide assurances as to their adequacy in delivering sound financial management for the Council.

The report covers in detail the key components of the Council's financial management arrangements. In summary these are as follows:

Overarching:

- The strategic role of the Section 151 officer;
- Professionally qualified and accountable staff;
- Financial Procedure Rules

Processes:

- Budget setting;
- Budget Monitoring;
- Closure of accounts
- Integrity of financial systems
- Service planning

The report also discusses the extent to which these arrangements are subject to external assessment and also the on going review to ensure that these arrangements continue to be fit for purpose.

Recommendations

Members of the Corporate Governance and Audit committee are asked

To note the assurances provided that appropriate systems and procedures are in place to ensure that the Council delivers sound financial management and planning, and

To consider whether there are any areas where further information would be helpful to the Committee in order to provide additional assurance as to the adequacy of these controls.

1 Purpose of this report

- 1.1 This report outlines the key systems and procedures which are in place to ensure that the Council delivers sound financial planning and management whilst ensuring the maintenance of adequate reserves. The report also aims to give members assurance that these systems and procedures are fit for purpose, up to date, embedded and being complied with.

2 Background information

- 2.1 Sound financial planning and management are crucial to any organisation although the current financial challenges facing the Council undoubtedly makes it even more critical that these arrangements are fit for purpose.

- 2.2 In accordance with Section 151 of the Local Government Act 1972, each local authority is required to make arrangements for the proper administration of their financial affairs and to appoint a Chief Financial Officer to have responsibility for those arrangements. In Leeds the Section 151 Officer is the Director of Resources.

- 2.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) in their Statement on the role of the Chief Financial Officer in Local Government, provides further guidance on the role, stating that the Chief Financial Officer must:

- be a key member of the Leadership Team, helping it to develop, implement and resource the authority's strategic objectives;
- be actively involved in, and able to bring influence to bear on, all material business decisions; and
- lead the promotion and delivery of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer must lead and direct a finance function that is resourced to be fit for purpose; and must be professionally qualified and suitably experienced.

- 2.4 In the context of this report the Chief Financial Officer is also required under statute to:

- report to Council on the robustness of the estimates and the adequacies of financial reserves (Local Government Act 2007). The relevant sections of the 2012/13 budget report to Council relating to this duty are attached at **appendix A**.
- certify that the accounts are a true and fair view of the Councils' financial position (Accounts & Audit Regulations 2011).
- ensure that the Council's financial systems accurately record the financial transactions; enable the prevention and detection of inaccuracies and fraud and ensure risk is appropriately managed (Accounts & Audit Regulations 2011).

The financial procedures and controls put in place by the Chief Financial Officer form a fundamental part of the assurances received by this Committee when approving the annual Governance statement as required by the Accounts & Audit Regulations 2011.

3.0 Main issues

3.1 In order for the Director of Resources as the Council's Section 151 Officer to discharge his statutory duties it is necessary to have some understanding of how the role and responsibilities of the statutory finance officer manifest themselves operationally through the financial cycle which covers:

- Budget preparation and setting.
- In year budget monitoring.
- Closure of accounts and reporting.

Overarching these three processes are a number of policies, procedures and monitoring arrangements, including: Financial Procedure Rules; the provision of financial advice and the monitoring of the integrity of the Council's financial systems.

3.2 For the purposes of this report it is proposed to focus on the three main finance processes which are central to financial planning and management within the Council. However, it does need to be appreciated that financial management, within the Council, both corporately and within directorates is delivered by colleagues who are managerially responsible to the Director of Resources. Many of the senior colleagues within the financial management services are professionally qualified with many years of experience, and are themselves personally and professionally responsible for their actions and advice. This is reinforced through an appraisal scheme which incorporates identification of key skills for finance staff, programmes of continuing professional development and peer review forums to ensure integrity as to the accounts and budget monitoring processes. Moreover, our service planning helps to ensure that there is a continual review of our processes and the ways in which we can improve our services and the financial management of the Council.

3.3 Budget Preparation and Setting

3.3.1 Local authorities are under a statutory duty to set a budget each year. Whilst this can simply be seen as an annual exercise, there is a recognition that this needs to be set within a context of a medium term financial strategy. The Council has adopted a number of approaches to medium term financial planning over the last 10 years. The scale of the challenge presented by Spending Review 2010 has however meant that the Council has had to respond very quickly to significant reductions in its level of government grants. To date, the Council through a number of initiatives has been able to meet this financial challenge. In 2011/12 nearly £90m has had to be saved and for 2012/13 a budget has been agreed which requires further savings to be made, but does also rely on significant one off sources of funding. Beyond 2012/13 the position is somewhat uncertain, although

it is clear that the Council will need to make further significant savings, with our best estimate at this time being nearly £50m in both 2013/14 and 2014/15.

- 3.3.2 The budget as well as a financial expression of the Council's policies and priorities, is also a means of controlling spending to the available resources. The budget process is led by the Director of Resources and involves a wide range of officers and members across the Council. The process starts soon after the budget setting of the previous year with an early assessment of available funding and key pressures. Undertaking such an assessment involves a whole set of assumptions including government grant, Council Tax base, inflation, trends and new or developing spending pressures. This part of the process will be led by Corporate Finance staff, but will involve financial and non financial staff based in directorates. The process will, at such an early stage, invariably identify a budget shortfall. This high level exercise will be subject to a number of iterations with assumptions being subject to regular review and reassessment.
- 3.3.3 Directorates start to prepare and input detailed estimates into the budget module of the Council's Financial Management System (FMS) in late summer. These are done at cost centre level and involve budget holders reviewing their spending requirements in conjunction with directorate based finance staff and in accordance with the corporately determined guidelines.
- 3.3.4 The development of options to balance to available resources is a key aspect in any budget process. This clearly can be a difficult area of work and whilst needing to be pragmatic and sufficient, it is crucial that the process reflects the Council's policies and priorities. This is ensured through close engagement of senior officers and Executive Board portfolio Members at appropriate points in the process.
- 3.3.5 Following consultation, the Councils constitution determines that initial budget proposals are submitted to Scrutiny 8 weeks prior to the Council's budget meeting. In practice this is after Executive Board approval, and requires the proposals to be submitted to the December meeting of the Board. Whilst the initial budget proposals are not in the same level of detail as submitted to full Council in February, this part of the process has been subject to development over the last few years, and certainly those submitted for 2012/13 to December Executive Board being the most comprehensive and developed to date. This was recognised by the Leaders of all political grouping on the Council.
- 3.3.6 Budget preparation and setting is a demanding process and operates to strict timescales. This places an emphasis upon not just planning but also engagement with Councillors and Senior Management.
- 3.3.7 The budget is in many ways an exercise in managing risk. With limited resources, it is inevitable that elements of the budget will depend upon actions which have yet to happen, or upon assumptions that in reality may in reality vary from those assumed at budget setting. As such an important element of the budget process is the development and maintenance of a budget risk register which attempts to identify and assess the risks built into the budget estimates. It is important to appreciate that the time frame of the budget risk register is just one budget year. The budget risk register not only assists in assessing the robustness of the

estimates but also acts as a means of assessing the adequacy of reserves in that it provides an assessment of what may go wrong in year.

- 3.3.8 Reaching a view of the robustness of the estimates and the adequacy of resources not only requires consideration of the processes and systems used in preparing the estimates, but also a consideration of the strength of the arrangement in place for internal financial control including budget monitoring, and these are further discussed in the section 3.4 below.
- 3.3.9 Along with member scrutiny, the budget process is subject to Internal Audit review. In addition external audit, as part of their assessment of financial resilience, provided assurances as to the robustness of the budget itself.

3.4 In Year Budget Monitoring

- 3.4.1 Budget monitoring is a continuous process which operates at a variety of levels throughout the Council. Although directors are ultimately responsible for the delivery of their directorate budget, operationally these responsibilities are devolved down to around 600 budget holders within the Council. Every budget has a named budget holder who is responsible for managing and monitoring income and expenditure against the approved budget.
- 3.4.2 Financial Monitoring within the Council is facilitated by the Council's Financial Management Systems. These hold information as to approved budgets, actual spend and income and commitments. On a monthly basis budget holders review their spend to date, against the approved estimates and against profiled estimates. In addition, budget holders are also required to predict their end of year position which is done with the assistance of directorate finance staff, and clearly does involve a degree of judgement. In practice some budgets are more difficult to control and project than others. A new development being currently rolled out is a new system for projecting staffing costs, which will enable staffing projections to be done more efficiently. There are also instances where spending is controlled on systems other than the Council's FMS, for example community care payments. In these instances, procedures are in place to ensure that information held in these systems are regularly reconciled to FMS. Ensuring the integrity of the accounts is as important to our budget monitoring processes as it is to the accounts, and this is a key role of the Integrity Forum which includes senior finance staff and is chaired by the Chief Officer – Financial Management. **Appendix B** provides the terms of reference and identified the coverage of the work of the forum.
- 3.4.3 Financial monitoring is undertaken and operates on a hierarchical basis, whereby the monthly projections of budget holders are aggregated upwards to be reviewed by Chief Officers, and Directors. The projections for each directorate are submitted to the Director of Resources and are reviewed and challenged by the Finance Performance Group. This Group is made up of senior finance staff and chaired by the Chief Officer - Financial Management. The projections are then reported monthly to the Corporate Leadership Team and the Executive Board. As well as being accurate, monitoring also needs to be timely, and as such monthly reporting is operated according to a strict timetable.

- 3.4.4 In line with the Council's values of Spending Money Wisely, it is critical that where projected overspends are identified that action is taken to bring spending back into line with the approved estimates or to identify other sources of funding such as areas of under spend. In year, any decision to amend budgets is undertaken within the virement rules agreed annually by full Council as part of the budget setting process. All such decisions are recorded as part of the delegated decision making process.
- 3.4.5 It is also important to appreciate that external audit also review our budget and budget monitoring arrangements in order to assess whether they are satisfied that, in all significant respects, the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

3.5 Closure of Accounts

- 3.5.1 The first stages of the closedown process is a natural extension of the budget monitoring arrangements with budget holders compiling the final figures for their areas of responsibility to determine an outturn position to be reported to Executive Board. This report compares the budget to the final outturn for each Directorate and provides an explanation as to the reason for any variance. This comparison to the budget provides a clear indication as to the robustness of the original budget setting and the quality of the budget monitoring process.
- 3.5.2 Alongside the budget monitoring process, significant accounting decisions are referred to the technical accounting team to ensure compliance with applicable accounting standards. KPMG are also consulted on such decisions to ensure they are agreed by all parties before a major financial decision is made.
- 3.5.3 All changes to accounting practice are assessed and, where applicable, implemented by specialist officers in Corporate Financial Management. All finance officers and relevant directorate officers are informed of the implications of any changes. The application of appropriate accounting practice is assessed by the Council's external auditors and reported back to members of this committee.
- 3.5.4 The Chief Officer Financial Management oversees the closedown process and the Director of Resources reviews both the accounts themselves and the processes used to compile them, before certifying signing them as a true and fair view. The Council's external auditors provide members with independent assurance that, in their opinion, the accounts do reflect a true and fair view of the Council's financial position and that they comply with proper accounting practice.
- 3.5.5 New accounting requirements and outturn projections are taken into account when the budgets are set for the following year.

3.6 Assessing our Financial Management arrangements

- 3.6.1 As outlined above external audit play an important role in assuring the Council's financial position and systems and processes. Within both the Comprehensive Performance Assessment (CPA) and the Comprehensive Area Assessment (CAA), there were assessments of the Council's Use of Resources which included assessments which focused on the Council's financial systems and processes. In

2008 the final year of the CPA, the Council's Use of Resources score was an overall 4, which meant that we were performing strongly. The Use of Resources Assessment in 2009 was subject to a number of fundamental changes as part of the introduction of the CAA, and it was generally recognised that it was a significantly harder test than that applied in the CPA, nevertheless, the overall assessment for the Council, as reported to this Committee in September 2009 was a 3 (out of 4) which meant that the Council was performing well. The 2010 assessment was never issued, with the CAA framework abolished in May 2010.

3.6.2 A number of tools have also been used internally to test the strength of our financial management arrangements. These tend to identify areas of good practice in order to drive improvement rather than providing an overall score. One such tool is CIPFA's Financial Management Model, which is on its third iteration. The model is designed as a resource for the whole organisation. It is a repository of good practice and an assessment framework. Its scope ranges from the essential controls that should be in place to safeguard assets and demonstrate accountability, to the aspirations of top quality organisations. The model is structured around three progressive styles of financial management:

- Securing stewardship — an emphasis on control, probity, meeting regulatory requirements and accountability.
- Supporting performance — responsive to customers, efficient and effective, and with a commitment to improving performance.
- Enabling transformation — strategic and customer led future orientated, proactive in managing change and risk, outcome focused and receptive to new ideas.

3.6.3 Grant Thornton in their November 2011 publication "Surviving the storm: how resilient are local authorities" reported on their national programme of financial health reviews, and identified best practice under the following four headings:

- Key indicators of financial performance
- Strategic financial planning
- Financial governance
- Financial controls

3.6.4 Both these tools will be used in the coming months internally to assess our current arrangements and identify any areas of improvement.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Extensive consultation was undertaken as part of the budget setting process, as outlined in the Revenue Budget and Council Tax 2012/13 report to Full Council on the 22nd February 2012. This report has no direct issues requiring consultation or engagement.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 A specific equality impact assessment of the budget at a strategic level was undertaken and was report to Full Council on the 22nd February 2012 as part of the Revenue Budget and Council Tax 2012/13. This report has no direct equality and diversity / cohesion issues.

4.3 Council policies and City Priorities

4.3.1 As expressed within the Council Business Plan 2011 – 2015, spending money wisely is one of the Council's values, with the priority being for directorates to keep within their budgets. Ensuring that the Council has appropriate systems and procedures are in place to sound financial management and planning is clearly a key aspect and as such this report does provide some assurances, albeit not comprehensive, assurance that money is being spent wisely.

4.3.2 The terms of reference of the Corporate Governance & Audit Committee require the Committee to consider the adequacy of the Council's policies and practices to ensure compliance with statutory guidance and the adequacy of the Council's Corporate Governance arrangements.

4.4 Resources and value for money

4.4.1 This report deals with the Council's financial management arrangements and is aimed at providing assurance to members as to their fitness for purpose.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The statutory responsibilities of the Council's responsible financial officer are defined under the Local Government Act 2007 and Accounts & Audit Regulations 2011. The report does not require a key or major decision and is therefore not subject to call-in.

4.6 Risk Management

4.6.1 A full risk register of all budget risks in accordance with current practice is maintained and subject to quarterly review. Any significant and new risks are contained in the budget monitoring reports submitted to each meeting of the Executive Board, together with any slippage on savings.

4.6.2 The Council's external auditors provide a risk assessment on the Council's financial resilience and the accounts process as part of their interim audit. As part of the interim report, officers are able to outline the processes put in place to mitigate these risks.

4.6.3 In addition to the above, there are a number of risks which are monitored through the Corporate and the directorate risk registers, these being

Corporate Risk Register

- Council's financial position goes into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the Council's risk-based reserves policy
- Failure to address medium-term financial pressures in a sustainable way

Resources Directorate Risk Register

- Failure to comply with statutory deadlines (e.g. Statement of Accounts / Budget / RO and RA forms)
- Risk of provision of poor financial advice that results in poor financial decisions across the authority. This could lead to the financial ledger being inaccurate or out of date

5 Conclusions

5.1 Whilst this report does not attempt to provide a comprehensive assessment of all the systems and controls required to discharge the statutory responsibilities of the responsible financial officer, it does provide a summary of the coverage provided by the key controls.

5.2 The financial management controls and processes are subject to a number of rigorous reviews and assessments to ensure they are fit for purpose, including:

- External Audit provide the following assurances:
 - independent assurance that, in their opinion, the accounts reflect a true and fair view of the Council's financial position and that they comply with proper accounting practice.
 - That the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
 - That the controls on the Authority's key financial systems are sufficient to produce materially reliable figures for inclusion in the financial statements.
- Internal audit assess:
 - the financial management controls in respect of the budget, budget monitoring and accounts process.
 - the process of ensuring the integrity of the accounts.
 - all major financial systems.
- Member scrutiny via Scrutiny Boards, Executive Board and Full Council ensures that the budget meets the Council's priorities. In addition the Corporate Governance & Audit Committee approve the Council's accounts.
- Officer review of the budget and budget monitoring processes through Finance Performance Group, directorates management teams and the Corporate Leadership Team.

5.3 Whilst the above arrangements should provide members with some assurance that the Council does have in place appropriate systems and procedures to deliver sound financial management and planning, it is important that this is kept under review, and the report identified a number of ways (para 3.6.2 & 3.6.3) in which we will review these arrangements going forward.

6 Recommendations

6.1 Members of the Corporate Governance and Audit committee are asked:

- To note the assurances provided that appropriate systems and procedures are in place to ensure that the Council delivers sound financial management and planning, and
- To consider whether there are any areas where further information would be helpful to the Committee in order to provide additional assurance as to the adequacy of these controls.

7 Background documents¹

7.1 Budget 2012/13 risk register

7.2 Revenue Budget and Council Tax 2012/13 report to Full Council on the 10th February 2012.

7.3 KPMG ISA 260 report to Corporate Governance and Audit Committee, 30th September 2011.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

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Extract from the Revenue Budget and Council Tax 2012/13 report to Full Council on the 10th February

ROBUSTNESS OF THE BUDGET AND THE ADEQUACY OF RESERVES

- 1.1 The Local Government Act (Part II) 2003 placed a requirement upon the Council's statutory finance officer (The Director of Resources) to report to members on the robustness of the budget estimates and the adequacy of the proposed financial reserves.
- 1.2 In considering the robustness of any estimates, the following criteria need to be considered:-
- the reasonableness of the underlying budget assumptions such as:
 - the reasonableness of provisions for inflationary pressures;
 - the extent to which known trends and pressures have been provided for:
 - the achievability of changes built into the budget;
 - the realism of income targets;
 - the alignment of resources with the Council service and organisational priorities.
 - a review of the major risks associated with the budget.
 - the availability of any contingency or un-earmarked reserves to meet unforeseen cost pressures.
 - the strength of the financial management and reporting arrangements.
- 1.3 In coming to a view as to the robustness of the 2012/13 budget, the Director of Resources has taken account of the following issues:-
- Detailed estimates are prepared by directorates in accordance with principles laid down by the Director of Resources based upon the current agreed level of service. Service changes are separately identified and plans are in place for them to be managed.
 - Estimate submissions have been subject to rigorous review throughout the budget process both in terms of reasonableness and adequacy. This process takes account of previous and current spending patterns in terms of base spending plans and the reasonableness and achievability of additional spending to meet increasing or new service pressures. This is a thorough process involving both financial and non-financial senior managers throughout the Council.
 - Significant financial pressures experienced in 2011/12 have, where appropriate, been recognised in preparing the 2012/13 budget.
 - Contingency provisions have been included in the General Fund and within the DSG funded services. These provisions are for items not foreseen and for items where there is a risk of variation during the year. In

the case of the schools contingency, this would include adjustments required in the application of formula funding, significant increases in pupil numbers, and additional statements of Special Education Needs or exceptional in year cost increases.

- As part of the budget process, directorates have undertaken a risk assessment of their key budgets, documented this assessment in the form of a formal Risk Register, and provided a summary of major risks within the directorate budget documents, many of which are significant. All directorate budgets contain efficiencies, service reviews and savings which will require actions to deliver, and any delay in taking decisions may have significant financial implications. The overall level of risk within the 2012/13 budget is considered to remain relatively high, but less than in the 2011/12. Whilst this level of risk can be considered manageable, it must be on an understanding that key decisions are taken or that alternative actions can deliver similar levels of savings without increasing the overall risk level within the budget. Some of the key risks within the budget are as follows:-
 - The level of demand and activity, within the children's social care and looked after children budgets. Whilst the directorate have continued to develop their plans to manage the continuing increase in demand and referrals, the 2012/13 budget does require the level of demand in these areas to "turn the curve".
 - Assumptions around additional income from the trading of certain functions with schools are not realised.
 - Volatility of demand led budgets within Adults Social Care.
 - Inflation and pay awards greater than anticipated
 - Interest rate changes greater or sooner than anticipated
 - Failure to restrict capital spending results in additional debt costs
 - Uncertainty over the economic climate which may have a continuing impact on income budgets and the cost of borrowing
 - Challenging efficiency targets across the Council including reducing staffing numbers and generating significant procurement savings
 - Risk to Council buildings if essential maintenance work cannot be contained within the reduced budget.

Integrity Forum - Terms of Reference

1. Introduction

The Integrity Forum has a key role within Leeds City Council's Governance Framework and its function is to help ensure that there are procedures and operations in place to provide the necessary quality, integrity and reliability of financial information and accounts. The overall purpose is to help ensure the financial stewardship of the Authority by monitoring the following:-

the regular review and reconciliation of financial systems to the financial ledger

The regular review and reconciliation of balance sheet accounts.

the requirement to have effective systems and procedures in place to facilitate the posting of financial data to the ledger.

that there are up to date bank mandates for all bank accounts to which LCC officers are signatories and that bank statements are regularly received and reconciled

The Integrity Forum meets on a monthly basis in order to ensure that a regular review is undertaken and that any deficiencies relating to the integrity of the ledger are promptly acted upon.

2. Reporting to Finance Performance Group

Reporting to FPG is on an exception basis whereby only issues that compromise the integrity of the ledger will be reported. This reporting is undertaken as and when deemed necessary by the Chief Officer (Financial Management).

3. Investigation of areas of concern

The Forum instigates any investigations deemed necessary where there are areas of concern. This may include calling individuals in to the monthly meeting to discuss specific issues as required.

4. Items considered by the Forum

The following items are considered by the Integrity Forum in accordance with a pre-determined Integrity timetable.

4.1 Systems and Feeders

4.1.1 FMS feeders – any issues arising relating to the day to day control of feeder systems posting into The financial ledger (FMS)

4.1.2 Cash Book –reconciliations of Cash transactions to the financial ledger (Monthly balances in excess of £200m)

4.1.3 Balance Sheet Monitoring Statements. Integrity Forum ensures that all accounts held on the Council's balance sheet are fully reconciled and any amounts due or owed are paid/recovered. This includes the monitoring and checking of payments to HMRC which exceeds £61m per month in respect of payroll taxation and the reclamation of approximately £9m in VAT.

4.2 Integrity of the Financial Ledger

4.2.1 Major Systems Reconciliations. Reconciliations provide assurance that all data processed by systems that feed into the financial ledger has been transferred correctly. Of the major systems £130m per month is processed through the payroll and creditor(payments) systems.

4.2.2 Systems Mapping. A comprehensive map of all systems which feed into the financial ledger is held and reviewed by the Forum.

4.2.3 FMS Access Rights. Regular risk based reviews of access controls in the financial ledger.

5 Internal & External Audit Reports

- All Audit Reports with implications for the Financial Management function are reviewed and commented upon. Action Plans are obtained from relevant officers to ensure that Audit recommendations are implemented – progress against Action Plan is monitored.

6 New Systems Development

- The role and involvement of Financial Management in the development of any new systems which impact on the financial ledger is determined by the Forum. Progress and issues arising are reported to the Forum on a monthly basis.

7 Treasurerships and Partnerships including Charities

- The responsibilities outlined above also extend to areas where the Director of Resources acts as Treasurer or provides an accounting service to an external body.

8 Governance

Internal Audit monitor and validate all the work carried out by Integrity Forum annually giving substantial assurances since the Forum came into existence. In addition KPMG are assured that appropriate controls are in place for the control and policing of FMS.



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Report of Assistant Chief Executive (Customer Access & Performance)

Report to Corporate Governance & Audit Committee

Date: 27th March 2012

Subject: Annual Information Security Report

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The report outlines progress made in implementing and embedding the information governance policies across the Council and provides an assessment of each policy against the Council's Annual Governance Statement Standard.
2. The report provides a summary brief of work being undertaken to ensure the Council is in the best position to mitigate against the threat of future information security breaches.
3. The report details progress made by IT Services to implement a range of technologies to improve security across the Council.

Recommendations

4. Corporate Governance and Audit Committee is asked to consider the contents of this report and the assurances provided as to the Council's approach to information security.

1 Purpose of this report

- 1.1 To provide Corporate Governance and Audit Committee with an annual report on the steps being taken to improve Leeds City Council's information security in order to provide assurance for the annual governance statement.

2 Background information

- 2.2 Leeds City Council recognises the need to protect its information assets from both accidental and malicious loss or damage. Information security is taken very seriously by the Council and this is evidenced by the ongoing work to improve the security of our information as outlined in this report.
- 2.3 The report provides Committee Members with an update on the more strategic and cross-council activity ongoing to provide assurance on our approach to information security. In this regard it covers actions taken to address the policy framework and development, the skills and competencies required and the technology requirements within the organisation.

3 Main issues

Policy Development

- 3.1 The Council's Information Governance Framework sets out the strategic plan for the organisation to ensure that appropriate arrangements are put in place to protect the Council's information assets and reputation. This framework is underpinned by a number of key policies which enables the Council to meet its legal, regulatory, contractual and business obligations.
- 3.2 The development of these policies forms part of the Information Governance Project, which is ensuring all information governance policies are developed and a methodology for their effective communication, engagement and training across the Council put into place.
- 3.3 As part of this project, thirteen out of fourteen policies have been drafted, approved and signed-off for use across the Council. Each of the thirteen policies have been published on the Council's intranet site for access by staff and a series of key messages produced for reference by staff. Furthermore, a series of procedures and guidance notes are being produced to support the implementation of each policy. Most notably the Electronic Communications Code of Practice is currently with Trades Unions as part of the consultation process, but should be ready for publication and dissemination from April 2012 onwards. A Code of Practice on Social Media is in draft stage and will go out for consultation shortly. A procedure for investigating information security incidents will be approved after completing a final phase of consultation.
- 3.4 The fourteenth policy, on Information Risk Management is now being developed. This was purposefully delayed as it is reliant on the Council adopting an approach to information risk management as outlined in the Information Assurance strategy, which required approval and sign-off beforehand. The Information Assurance strategy was approved in October 2011 (see paragraphs 3.17 & 3.18), and as

such, a policy on Information Risk Management has now been drafted and is about to undertake a formal consultation process with key stakeholders.

- 3.5 An assessment of each policy has been undertaken based on the Council's Annual Governance Statement Standard to provide Members with the assurance they require about the arrangements being put in place to strengthen the security arrangements for the Council's information assets. The results of this assessment are produced in table format in Appendix One to this report.
- 3.6 The Information Commissioner's Office (ICO) has the power to fine organisations up to a maximum of £500,000 for a serious contravention of the Data Protection Act Principles. The Implementation and embedding of information assurance policies, standards and practice as outlined in this report is reducing the risk and helping to mitigate the Council against future information security incidents.
- 3.7 Whilst the implementation of information governance policies and procedures, and improved information practices, will do much to mitigate against the risk of information security incidents, it should be noted that this will not provide the Council with a guarantee of security breaches not happening in the future, and as such, we would be duty bound to report any major incident affecting personal data to the Information Commissioner.

Information Governance Policy Training

- 3.8 A training programme has been established to ensure all Council staff undertake training on the information governance policies. The training programme is a risk-based approach to learning and is delivering training on information governance in three phases.
- 3.9 Prior to the commencement of training, an information security checklist was issued to staff in October, which provided a 'Do's and Don'ts' on information practice and acts as an easy reference guide.
- 3.10 An audit of information risk across the Council has taken place identifying service areas that process sensitive information. An information matrix has been developed for each Directorate showing the correlation between the sensitivity of the information asset held and the quality of information practice in each service area. An example of this is attached at Appendix Three to this report. This information is being used to assess the level of information risk for each service area, which in turn is determining the training requirements for the service.
- 3.11 There are three levels of training in the training programme:
- Level One – E-Learning training for IT-Users and training brochure/leaflet for non-IT users;
 - Level Two – Classroom based training and face-to face briefings to service areas identified as being a medium risk in managing information;
 - Level Three – Targeted training for high risk service areas based on a gap analysis undertaken through information compliance audits.

3.12 **Level One Training**

All staff across the council have undertaken level one training between November 2011 and January 2012. This training encompassed the following:

- All IT-users undertaking training through an e-learning programme designed specifically to provide staff with key messages from all the information governance policies and requiring their sign-off for each policy to indicate that they have read and understood the information. This information is recorded onto the SAP system for monitoring purposes. This training took place between December 2011 and January 2012 ;
- Non-IT users who process sensitive information receiving information governance key messages via an Information Governance brochure and briefings by line managers. Manager's receiving brochures were instructed to ensure staff read and understood the information and report compliance to their appraisal coordinator. In turn, the appraisal coordinator recorded compliance onto the SAP system via the Business Support Centre. Brochures were distributed to managers in November 2011.
- Non-IT users who do not process sensitive information receiving leaflets providing key information about the policies. Leaflets were distributed in November 2011.

Training in Phase One is designed to make all staff aware of the information governance policies, understand the key messages, know where to locate each policy on the intranet for reference and where to go for further advice and guidance. Information recorded on the SAP system provides evidence that staff have undertaken the training should it be required for compliance purposes. Information about the performance of staff undertaking phase one training up to 9th March 2012 is provided Directorate by Directorate in the table below.

Directorate	Percentage return of staff undertaking training
Adult Social Care	86%
Children's Services	85%
City Development	85%
Environments & Neighbourhoods	82%
Legal Services	87%
Resources	95%
Customer Access & Performance	85%

3.13 The overall return across the Council is 87%. Whilst the figures are encouraging, further analysis work is being undertaken by Information Compliance Officers. This is to ensure that staff working in high risk areas complete the training. To this extent Information Compliance Officers are working with senior officers to identify these staff and ensure they complete the training. However, it should be noted that it will not be possible to achieve a 100% return across each Directorate, as some staff are away on either maternity leave, sick leave or long-term absence.

3.14 **Level Two Training**

Details about level two and three training are yet to be finalised, but it is likely that level two training will involve those service areas deemed as undertaking medium risk information management practices on the information matrix. These services will be required to undertake further training over and above that received at level one. An assessment will be made by Information Compliance Officer's and training tailored to specific needs developed and delivered either through face-to-face briefings or classroom based training.

3.15 **Level Three Training**

Level three training will involve those service areas identified as undertaking high risk information management practices on the information matrix and have a requirement to improve information management practice as well as undertake training. A self assessment information compliance audit will be used to identify weak information controls and potential risks with current information practices and provide recommendations for improved security arrangements and information procedures. The information compliance audit template has been

designed and is currently being piloted in the three area offices within Children's Services.

- 3.16 Information Governance messages have been embedded into the corporate induction checklist managers need to use with their new staff and staff changing roles. Human Resources reinforce this information at all their welcome events and in the staff guide that is given out at recruitment. The manager's checklist requires manager's to ensure new staff undertake the training on information governance as part of their induction.

Implementation of Information Assurance Strategy

- 3.17 A strategy for Information Assurance was approved in 2011. The aim of the strategy is to ensure that the Council meets its information management and security responsibilities ensuring that internal and external customers, partners and suppliers have the confidence that information, both personal and non-personal, is handled and stored with due regard to its value and risk, where individuals understand the importance of using it correctly, sharing it lawfully and protecting it from improper use.
- 3.18 To support both the Information Governance Framework and the implementation of the Information Assurance strategy, work is ongoing to improve and strengthen information risk management and information security across the council. This ongoing work is highlighted in the table at Appendix Two to this report and provides further assurance in respect of the continued work being undertaken to provide security to the council's information assets.

Skills and Competencies

- 3.19 In addition to providing a framework of best practice, there is also a need to ensure the Council has the relevant expertise in place to support the provision and implementation of effective policies and approaches regarding information security. Corporate Governance and Audit Committee will be aware from last year's report the intention to improve and strengthen the Council's capacity for implementing and maintaining information assurance across the organisation.
- 3.20 An information governance resource now exists in each Directorate of the Council and is engaged with implementing aspects of the Information Governance Framework. Children's Services are undertaking a review of resource requirements to ensure that there is adequate information governance capacity across the Directorate. Discussions are ongoing with the Strategic Landlord about providing a resource in the new ALMO's Business Centre Limited to implement information governance requirements across the three ALMO's.
- 3.21 Whilst there is an information governance resource within each Directorate, arrangements vary within each Directorate and it is difficult to provide assurance about the consistency to the delivery and implementation of the Information Governance Framework across the Council. A review of Information Governance resource requirements is being undertaken through the Information and Content Management project, to look at ways of implementing information governance standards and practice in a more professional and cost effective manner.

- 3.22 Governance arrangements for information governance across the Council are now firmly embedded. The Information Governance Management Board meets every two months and is responsible for overseeing the delivery of the Information Governance Framework. The Information Governance Management Board is supported in this work by four sub-groups, each responsible for delivering particular aspects of the Information Governance Framework. Both the Information Governance Management Board and four Sub-Groups were established in 2010 and provide a governance framework for ensuring the delivery of information governance and monitoring compliance to associated policies, procedures and practice. Furthermore, the Assistant Chief Executive (Customer Access and Performance) acts in the capacity of the Council's Senior Information Risk Owner.(SIRO). The SIRO is ultimately accountable for the assurance of information security at the Council. The Local Government Association has said that all local authorities should designate a board member as SIRO..

Technology

- 3.23 Significant progress has been made over the last eighteen months to implement a range of technologies to improve security across the Council. The progress made in commissioning and installing the technologies has enabled IT to report statistics which it was unable to report prior to the deployment.
- 3.24 ICT Services are now able to enforce the policy on USB devices which will limit their use within the council. Only council approved encrypted USB devices will be able to have information written to them. All other devices will be rendered as read only devices unless they have submitted a request under the Policy Exemption procedure. This will still enable users to review their camera pictures etc., but will disable their ability to use non council USB device as data stores.
- 3.23 McAfee Vulnerability Manager has now been commissioned and is scanning all network attached devices, from which IT Services can see what versions of software are being used across the estate. Once this information is collated IT Services can develop a schedule of approved versions which can then be applied consistently across the network.
- 3.24 The LogRhythm Security Information and Event Management (SIEM) device is now monitoring critical components within the network. It is monitoring failed logon attempts, unauthorised changes to configurations and critical file monitoring and provides an administrative dashboard which records and shows critical events such as unusual or unauthorised activity or file compromise. This is being expanded to cover more systems, and all critical events are being investigated. A part of the LogRhythm implementation is the deployment of File Integrity Management (FIM) which watches for changes being made on critical files within an application. This has been deployed on the Payment Card Industry-Data Security Standard environment (see below).

Critical Services, such as the Payment Card Industry-Data Security Standard Merchant payment system used for council tax collection, are heavily monitored. Indeed, during a recent maintenance session Northgate, the software vendor of the payment system, modified one of the protected files without informing the security team. The monitoring system logged the change and instantly generated a security alert which triggered the Incident Management procedure. This identified that the file

had been tampered with and Northgate then confirmed that it was they that had modified the file.

In respect of third parties and contractors, all access to council resources is risk assessed prior to granting access to Council information systems. Data Handling agreements are put in place and there are strict access procedures to which contractors and third party support companies must adhere. No access is granted directly to devices, rather all access is granted via an intermediate service, or proxy, through the use of terminal service session controlled by Citrix. Access is limited to the relevant server or services only. Access is controlled by IT services and must use two factor authentication through the use of a once time use code generating token. The token is held by IT Services which ensures that they are notified of any access being granted.

- 3.25 The McAfee Web Gateway Internet filter has now replaced the Novell Border Manager and is providing active content filtering and policy enforcement, including the blocking of executable file downloads, and content type mismatches. It is also providing users with some feedback as to the reason a site has been blocked. ICT Services are now able to provide some statistics on web use
- 3.26 Leeds City Council ICT Services runs the Microsoft Exchange based email system under the terms of the Acceptable Use policy. System administrators by default have no access to email boxes, however ICT Services are the custodian of all the council IT systems and as such retain the right to escalate privileges to allow access to all system data to a select few. Systems administrators take their duties seriously and understand the confidential nature of Members correspondence.
- 3.27 There are instances, however, where some emails, both inbound and outbound, are quarantined by the system as being suspected SPAM messages or messages containing viruses or blocked attachments. Currently these have to be interrogated manually prior to deletion or release to the end user. A few email specialist support staff are authorised to perform this function and other related functions such as mail box and message recovery. These actions are considered a necessity for the smooth running of this large, complex and mission critical council system.
- 3.28 IT Services is investigating the possibility of a self service release system where each email user will be sent an email (spam digest) with a list of the messages blocked by the system. They will then be able to select those that are genuine messages (false positives) and release them to their own inbox. In the meantime this process is performed manually.
- 3.29 Members email is retained post their retirement and made available to them for a period of 30 days after leaving office. Offline stores may be made available to the Member subject to a security review. Backups of Member email are held for 6 months and then deleted.

4. Corporate Considerations

Consultation and Engagement

- 4.1 Consultation on the development of all information governance policies has been extensive and undertaken across a broad range of stakeholders including information management professionals, representatives from all Directorates, Trades Unions and Information Governance Management Board members.

- 4.2 Pilots have been undertaken on new practice and procedures, for example on Government Protective Marking Scheme and Information Compliance Audits, in order to fully test out requirements and obtain feedback and engagement from those involved and introduce improvements to processes as a result.

Equality and Diversity / Cohesion and Integration

- 4.3 All policies have been developed as part of the Information Governance Project which has developed a training programme for all staff and partners with respect to information governance. Equality, diversity, cohesion and integration are all being considered as part of this programme of work. This refers to the way in which the training is being delivered as well as how the policies will impact on staff and partners.

Council policies and City Priorities

- 4.4 The policies support the Information Governance Framework and contain areas of legal requirement. Furthermore, the implementation of the Information Governance Framework will improve the quality of the Council's Policy Framework by ensuring the authenticity, integrity and security of the information contained therein.
- 4.5 Under the Code of Corporate Governance in Part Five of the Council's Constitution, the fourth principle (taking informed and transparent decisions which are subject to effective scrutiny and risk management) requires decision making processes and enables those making decisions to be provided with information that is relevant, timely and gives clear explanation of technical issues and their implications.

Resources and value for money

- 4.6 Capacity within Directorates to deliver, embed and monitor compliance to the information governance policies and practice is required, and resources for this are deployed from existing FTE's within Directorates and capacity is continually monitored by the Corporate Information Governance Team.

Legal Implications, Access to Information and Call In

- 4.7 There are no legal implications from this report.

There are no restrictions on access to information contained in this report.

Risk Management

- 4.8 The risk associated with not implementing information governance policies, procedures and practice across the Council leaves the organisation more susceptible to breaches of legislative, regulatory and contractual obligations, affecting the confidence of it's citizens, partners, contractors and third parties when handling and storing sensitive and protectively marked information.
- 4.9 The risk of not deploying the range of technologies already commissioned to secure the Council's information assets leaves the organisation vulnerable to malicious attacks on it's IT network infrastructure and exposes information assets to unnecessary security risks.

5. Conclusions

- 5.1 Information Security has rightly been identified as a key area of risk and is being addressed through changes to policy, procedure and practice, training, and technology. As this report demonstrates a range of policies on information governance have been developed, and new technologies procured to reduce the risk to the Council's information assets. However there is a still much to do, and therefore the focus over the next twelve months will be to continue the training and embedding the policies across the Council through a risk management approach. These measures will help to mitigate the Council against future security threats and incidents.

6. Recommendations

- 6.1 Corporate Governance and Audit Committee is asked to consider the contents of this report and the assurances provided as to the Council's approach to information security.

7. Background documents

- 7.1 Information Governance Framework and associated policies
- 7.2 Information Governance – Learning and Training Strategy
- 7.3 CRAIG Framework – Business Case for creating SIRO role
- 7.4 GPMS Requirements Business Case
- 7.5 Information Incident Management Policy
- 7.6 Information Sharing Policy

Information Governance Project Appendix One

Information Governance Policy Assessment based on Annual Governance Statement Standard

Name of Policy	How up to date is the policy?	Is the policy fit for purpose?	How has the policy been communicated across the organisation?	Is the policy routinely complied with?	How is the policy monitored?
Information Security	Current	Yes (reviewed 2011)	<p>Previous version published on intranet. New policy key messages have been communicated through corporate training programme developed by the Information Governance Project. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased IG training programme for those users determined as high risk and medium risk operators.</p> <p>There will be specific training for Information Asset Owner's and users with specific Information Assurance responsibilities as well as training for users working in joint teams with different organisational policies & procedures</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines</p> <p>Directorate Information Compliance Officers, with the support of Local Information Officer's will ensure the policy requirements are implemented effectively.</p> <p>Information Compliance Audit is being piloted in Children's Services. These will be used in high risk service areas to identify weak information practice and procedures, as well as monitor compliance with policy.</p>	<p>Compliance with the policy, together with the policy's effectiveness, demonstrated by the nature, number and impact of recorded information security incidences, will be reviewed in line with the corporate information audit to be undertaken every three years by the Information Governance Team and Directorate Information Governance resources, and interim information audits across the Council.</p> <p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks & new vulnerabilities or in response to security incidents.</p>

			Forms part of Terms & Condition's in contracts.		
Records Management	Current	Yes (reviewed 2011)	<p>Previous version published on intranet. New policy key messages have been communicated through corporate training programme developed by the Information Governance Project. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased Information Governance training programme for those users determined as high risk and medium risk operators.</p> <p>Further awareness training already conducted by Directorate Records Manager's preparing paper records for transfer to Facility.</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>Directorate Records Manager's with the support of Local Information Officer's will ensure records standards are maintained across each Service Area.</p> <p>Information Compliance Audit is being piloted in Children's Services. These will be used in high risk service areas to identify weak information practice and procedures, as well as monitor compliance with policy.</p>	The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks & new vulnerabilities or in response to security incidents.
Information Sharing	Current	Yes	<p>Policy published on the intranet. Key messages have been communicated as part of the corporate training programme. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit</p>	The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks and new vulnerabilities or in response to security incidents.

			<p>or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased Information Governance training programme for those users determined as high risk and medium risk operators.</p> <p>Some areas of the Council already have an awareness of the information sharing requirements through the use of the Inter-agency Information Sharing Protocol.</p> <p>Forms part of Terms & Condition's in contracts.</p>	<p>on Data Handling Guidelines</p> <p>Directorate Information Compliance Officers , with the support of Local Information Officer's will ensure the policy requirements are implemented effectively.</p> <p>Information Compliance Audit is being piloted in Children's Services. These will be used in high risk service areas to identify weak information practice and procedures, as well as monitor compliance with policy.</p>	<p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p> <p>A register of information sharing documentation will be maintained corporately to ensure compliance with the policy and consistency across the council.</p>
Information Risk Management	To be developed in line with the proposed Information Assurance strategy.	Required approval of the Information Assurance Strategy before possible to start this policy. Approval for strategy obtained in November 2011. Report in draft format.	N/A	N/A	N/A
Information Security Incident Management Reporting	Current	Yes	<p>Policy published on the intranet. Key messages have been communicated as part of the corporate training programme. IT Users have undertaken e-learning</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on</p>	<p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council</p>

			<p>training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Some awareness training already undertaken with Information Compliance Officers – aligns with policy exemption process. Classroom based training rolled out to approx 550 staff undertaking new ways of working through Changing the Workplace</p>	<p>compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>The corporate Information Governance Team will monitor the number of incidents by reviewing reports on the Council's Remedy System.</p> <p>To be linked to the new procedure for Information Investigation and Directorate Information Compliance Officers, with the support of Local Information Officer's will ensure the policy requirements are implemented effectively.</p>	<p>policies, technology, increased risks and new vulnerabilities or in response to security incidents.</p> <p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p> <p>Compliance with the policy, together with the policy's effectiveness, demonstrated by the nature, number and impact of recorded information security incidences, will be reviewed in line with the corporate information audit to be undertaken every three years by the Information Governance Team and Directorate Information Governance resources, and interim information audits across the Council.</p>
Protective Marking & Asset Control	Current	Yes	<p>Policy published on the intranet. Whilst key messages have been communicated as part of the corporate training programme, specific training on Government Protective Marking Scheme will be provided as and when process is rolled out. Staff guidance has been drafted in support of the policy. Awareness training undertaken as part of the corporate Information Governance training programme</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>Directorate Information Compliance Officers, with the support of Local Information</p>	<p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks and new vulnerabilities or in response to security incidents.</p> <p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of</p>

			<p>between Dec 2011 & Jan 2012..</p> <p>Pilots are being carried out in Peace & Emergency Planning Unit, Children's Safeguarding Board and Community Safety prior to roll-out across the council.</p>	<p>Officer's will ensure the policy requirements are implemented effectively.</p>	<p>detecting breaches of this policy and/or other council policies and procedures.</p>
<p>Information Systems Acceptable Use</p>	<p>Current</p>	<p>Yes</p>	<p>Policy published on the intranet. Key messages have been communicated as part of the corporate training programme. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased Information Governance training programme for those users determined as high risk and medium risk operators.</p> <p>Classroom based training rolled out to approx 550 staff undertaking new ways of working through Changing the Workplace.</p> <p>There are a number of supporting documents to this policy which are still being developed e.g. Electronic Communications Code of Practice, Social Media Code of Practice, Password Guidance & Monitoring Policy.</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>Directorate Information Compliance Officers, with the support of Local Information Officer's will ensure the policy requirements are implemented effectively.</p> <p>Information Compliance Audit is being piloted in Children's Services. These will be used in high risk service areas to identify weak information practice and procedures, as well as monitor compliance with policy.</p>	<p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks and new vulnerabilities or in response to security incidents.</p> <p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p> <p>Compliance with the policy, together with the policy's effectiveness, demonstrated by the nature, number and impact of recorded information security incidences, will be reviewed in line with the corporate information audit to be undertaken every three years by the Information Governance Team and Directorate IG resources, and interim information audits across the Council.</p>

Data Protection	Current	Yes (reviewed 2011)	<p>Previous version published on intranet. New policy key messages have been communicated through corporate training programme developed by the Information Governance Project. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased Information Governance training programme for those users determined as high risk and medium risk operators.</p> <p>Classroom based training rolled out to approx 550 staff undertaking new ways of working through Changing the Workplace</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>Data Protection Practitioner's monitor and will continue to monitor compliance to the Data Protection Act within their respective Directorates.</p> <p>Information Compliance Audit is being piloted in Children's Services. These will be used in high risk service areas to identify weak information practice and procedures, as well as monitor compliance with policy.</p>	<p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks and new vulnerabilities or in response to security incidents.</p> <p>The Council's Data Protection Practitioner's will be engaged in the review to ensure processes and procedures are reviewed as part of the annual review.</p> <p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p>
Freedom of Information/Environmental Information Regulations	Current	Yes	<p>Policy published on the intranet. Key messages have been communicated as part of the corporate training programme. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>Data Protection Practitioner's monitor and will continue to monitor compliance to the</p>	<p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks and new vulnerabilities or in response to security incidents.</p> <p>The Council's Data Protection Practitioner's will be engaged in the review to ensure processes and procedures are reviewed as</p>

				<p>Freedom of Information Act and Environmental Regulations within their respective Directorates.</p> <p>Information Compliance Audit is being piloted in Children's Services. These will be used in high risk service areas to identify weak information practice and procedures, as well as monitor compliance with policy.</p>	<p>part of the annual review.</p> <p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p>
Remote Access	Policy approved by Information Governance Management Board on 15 th Sept.	Yes	<p>Policy will be published on the intranet and key messages have been communicated as part of the corporate training programme. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased IG training programme for those users determined as high risk and medium risk operators.</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>Information Compliance Audit is being piloted in Children's Services. These will be used in high risk service areas to identify weak information practice and procedures, as well as monitor compliance with policy.</p>	<p>The policy will be reviewed annually by IT Security Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks and new vulnerabilities or in response to security incidents.</p> <p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p>
Clear Desk/Clear Screen	Current	Yes	<p>Policy published on the intranet. Key messages have been communicated as part of the corporate training programme. IT Users have undertaken e-learning training programme between Dec</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as</p>	<p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased</p>

			<p>2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased Information Governance training programme for those users determined as high risk and medium risk operators.</p> <p>Classroom based training rolled out to approx 550 staff undertaking new ways of working through Changing the Workplace</p>	<p>the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>Directorate Information Compliance Officers, with the support of Local Information Officer's will ensure the policy requirements are implemented effectively.</p> <p>Information Compliance Audit is being piloted in Children's Services. These will be used in high risk service areas to identify weak information practice and procedures, as well as monitor compliance with policy.</p>	<p>risks and new vulnerabilities or in response to security incidents.</p> <p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p>
Removable Media and Mobile Computing	Current	Yes	<p>Policy published on the intranet. Key messages have been communicated as part of the corporate training programme. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased IG training programme for those users determined as high risk and medium risk operators.</p> <p>Further training to be developed as part of a phased Information Governance training programme</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>Directorate Information Compliance Officers, with the support of Local Information Officer's will ensure the policy requirements are implemented effectively.</p> <p>Information Compliance Audit is being piloted in Children's Services. These will be used in high risk service areas to identify weak information practice and</p>	<p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks and new vulnerabilities or in response to security incidents.</p> <p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p>

			<p>for those users determined as high risk and medium risk operators.</p> <p>Classroom based training rolled out to approx 550 staff undertaking new ways of working through Changing the Workplace</p>	<p>procedures, as well as monitor compliance with policy.</p>	
Record Retention & Disposal	Current	Yes	<p>Policy published on the intranet. Key messages have been communicated as part of the corporate training programme. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased IG training programme for those users determined as high risk and medium risk operators.</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p> <p>A corporate retention schedule is being developed and Directorate Records Manager's are responsible for implementing and monitoring effective use of retention periods on their service records.</p>	<p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks and new vulnerabilities or in response to security incidents.</p> <p>Where practical and proportional, Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p>
Information & Data Quality			<p>Policy published on the intranet. Key messages have been communicated as part of the corporate training programme. IT Users have undertaken e-learning training programme between Dec 2011 and Jan 2012 and non-IT users received a training brochure or leaflet. A link to the full policy is provided which is published on</p>	<p>Policy compliance will be measured using data returns on e-learning tests and non-IT training, staff perception surveys and improved scores on compliance frameworks to be adopted such as the Information Assurance Maturity Model and internal audit on Data Handling Guidelines.</p>	<p>The policy will be reviewed by the corporate Information Governance Team, or as appropriate and in response to changes to legislation or council policies, technology, increased risks and new vulnerabilities or in response to security incidents.</p> <p>Where practical and proportional,</p>

			<p>the intranet. User compliance to training monitored via the BSC using the SAP system.</p> <p>Further training to be developed as part of a phased IG training programme for those users determined as high risk and medium risk operators.</p>	<p>A Data Quality Working Group comprising of DQ Officers from each Directorate will monitor compliance with policy principles.</p>	<p>Corporate ICT Services will monitor users' access to information for the purpose of detecting breaches of this policy and/or other council policies and procedures.</p>
<p>Policy Exemption Process</p>	<p>Current</p>	<p>Yes</p>	<p>Exemption process workshop undertaken with Information Compliance Officers. It is for Information Compliance Officer's and Local Information Officer's to identify risks and assess whether an exemption is required.</p>	<p>Policy compliance will be measured by maintaining a record of the number of exemptions in existence and the regular review of each exemption. Consideration will be given to how well the process is working across the organisation.</p>	<p>The process will be reviewed by the corporate Information Governance Team, or as appropriate and in response to internal change requirements ordained by making the process more effective for users.</p>

Information Assurance Work Programme

Information Assurance Work	Work Progress to Date	Work Requirements	Assurance Required
Senior Information Risk Owner	Appointment of Assistant Chief Executive (Customer Access & Performance) 8 th Feb 2011	Senior Information Risk Owner to undertake national training requirements Apr – Jun 2012	Local Government Association guidance and other best practice recommend all public authorities appoint a senior officer at board level as Senior Information Risk Owner. Senior Information Risk Owner is ultimately accountable for the assurance of information security within the council.
Information Asset Register and Appointment of Information Asset Owners	Information Asset Register completed. Information Asset Owner assigned to each Information Asset.	Training to of all Information Asset Owners to take place 2012/13 to ensure responsibilities are understood. Ongoing monitoring of Information Asset Register to take place.	Information Asset Register provides council with details about all information assets held and accountability for those assets. Local Government Association guidance recommends councils appoint senior managers as Information Asset Owner's to be accountable for main information systems and information assets
Implementation of security classification adopting the Government Protective Marking Scheme	Protective Marking and Asset Control policy approved. Staff guidance produced. Pilot of manual implementation of Government Protective Marking Scheme underway within 3 service areas across the council - Dec 2011/ May 2012.	Staff guidance to be approved and published. Analysis report of the pilots to be drafted and published. Market testing of Government Protective Marking Scheme software solution to be undertaken – Mar/Apr 2012. Business case of options to implement Government Protective Marking	Requirement to ensure the right balance is struck between sharing and protecting information, therefore the business impacts and risks associated with the confidentiality, integrity and availability of information must be managed effectively. A primary building block in developing effective and appropriate security measures is to identify those information assets which need safeguarding. The Government Protective

		Scheme enterprise wide to be drafted as part of Electronic Document & Records Management System project Apr – Jun 2012	Marking Scheme (Government Protective Marking Scheme) is an information security classification system that achieves this. It is already widely used across central government and other local authorities.
Development of Information Incident Management and Investigation Procedure	<p>Information Incident Management policy approved.</p> <p>IT System (Remedy) for recording information incidents being developed for use.</p> <p>Information Security Investigations procedure drafted and being consulted on.</p>	<p>Sign-off development work on Remedy system.</p> <p>Train Information Compliance Officer's on Remedy system and incident and investigation procedure.</p> <p>Centrally record all information security incidents and issue remedial reports</p>	Requirement to ensure the council has a process for tracking, recording and responding to information security incidents. It requires a procedure for investigating, reporting and learning from such incidents, and a process for corporately recording and analysing data about incidents.
Strengthen Information Sharing arrangements across the council	<p>Information Sharing policy approved and signed off. Included in standard T's & C's for contracts.</p> <p>Council signed up to updated West Yorkshire Information Sharing Protocol.</p> <p>Information sharing and security checklist produced for Contract and Commissioning Teams.</p> <p>Workshop undertaken with Children's Services Contract & Commissioning Team and Information Governance to be incorporated into work undertaken by this team.</p>	<p>Information Compliance Officer's to provide advice and guidance about information sharing agreements, data processing agreements & non-disclosure agreements.</p> <p>Organise workshops with all Contract & Commissioning staff and promote Information Governance checklist.</p> <p>Ensure Privacy Impact Assessments become part of the council's project implementation process.</p>	<p>Increasing requirement to share council information with partners, contractors and 3rd parties.</p> <p>In order to ensure the most effective service delivery and the council meets it's legal obligations relevant information has to be shared efficiently and securely.</p>
Delivery of secure email to high risk service areas	Roll out of GCSx Secure Email accounts to high risk service areas.	<p>Options paper to be considered by IGMB – March 2012</p> <p>Development of a strategy for the</p>	As part of the Government Connect and other secure network programmes there is a requirement to transfer and receive

		implementation of a secure email infrastructure in high risk service areas across the Council – Apr – Jun 2012	data in a safe and secure way. The Council is required to be able to exchange Protectively Marked information over a secure email GCSx network.
Develop Information Risk Management Policy to support the approved IA Strategy	Draft policy developed in line with corporate risk management methodology.	<p>Policy to undertake full consultation process.</p> <p>Approval of policy at future IGMB.</p> <p>Sign-off and publication of policy</p> <p>Communication and training rollout of policy.</p>	The council has approved the introduction and embedding of information risk management into its business functions through the Information Assurance Strategy. Information risk is inherent in all functions undertaken by the council. It is widely accepted that the aim of information risk is not to eliminate risk, but rather to provide a structural means to identify, prioritise and manage these risks.
<p>Undertake a review of all information governance policies, ensuring changes to legislation, regulations and standards are implemented, in addition to amendments to internal practice and procedure.</p> <p>Rationalise and amalgamate some of the Information Governance policies as the organisation reaches a level of information governance maturity acceptable to do this.</p>	<p>All policies are amended to reflect changes to legislation, regulations, standards and internal practice and procedure.</p> <p>All policies are subject to a complete review every three years.</p>	Key stakeholders are involved in the review of Information Governance policies through an established consultation process.	All Information Governance policies reflect requirements to protect the Council's information assets, and are subject to review to accommodate any necessary changes, both from a national and internal perspective.

Example of the Information Matrix referred to in the report at paragraph 3.7 Appendix Three

		Customer Access & Performance		
S E N S I T I V I T Y O F I N F O R M A T I O N	High	International Relations - Staff Reports Management & Support - Draft Policy Management & Support Staff Records Policy & Performance Staff Records Policy & Performance Draft Policy Leeds Initiative - Staff Records Leeds initiative - Draft Policy Equality - Staff Records Regional Policy - Staff Records Admin Support 3	Customer Services- Systems Support Team 6	Customer Services- Customer Data 9
	Medium	2	Equality - Personal Contact Details Regional Policy - Personal Contact Details Leeds Initiative - Personal Contact Details Policy & Performance - Personal Contact Details Management & Support - Personal Contact Details International relations - Personal Contact Details 4	6
	Low	Equality - Data Records Equality - Accounting /Budget records Regional Policy - Accounting /Budget records Leeds Initiative - Accounting & Budget records Policy & Performance Accounting / Budget records Policy & Performance - Corporate Performance Reports Management & Support - Accounting & Budget records International Relations - Accounting & Budget Records 1	2	3
		Low	Medium	High
		Risk		

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Report author: Jennifer Ellis

Tel: 39 50372

Report of Director of Resources

Report to Corporate Governance and Audit Committee

Date: 27 March 2012

Subject: Risk-based verification policy

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 7 Appendix number: 1, 2	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary of main issues

1. Following successful pilots which included Leeds; the Department for Works and Pensions (DWP) have announced that risk-based verification used in the administration of Housing and Council Tax benefit claims will be extended to all participating local authorities from 1 April 2012.

2. The risk-based verification Policy is submitted to the Council's Audit and Governance Committee for comment in advance of the Section 151 Officer approval of the Policy. Appendix 1

Recommendations

The pilot findings demonstrate that a risk-based verification scheme minimises the administrative requirements on low risk claims without compromising the security of the benefits system. Resource that is freed up from the streamlined approach is targeted on claims where a higher level of verification activity is required. New claims where the risk of fraud and error is low are still subject to basic verification checks and are processed much faster than before. These claims are incorporated in the Housing Benefits interventions programme of work to ensure that the Housing Benefits gateway remains secure.

1. Purpose of this report

- 1.1** This report outlines the proposed changes to the verification of Housing and Council Tax benefit claims by introducing a risk-based verification scheme. The assessment of Housing and Council Tax Benefit has not changed. What has changed is the level of verification activity that is a risk-based approach.

2 Background information

- 2.1** The Leeds Housing and Council tax benefit caseload is 85,353 and expenditure is in excess of £300 million. Since June 2011 the Benefits service has been operating a risk-based verification pilot in new housing and council tax benefit claims that moves away from prescriptive verification processes. For many years all new claims undertook the same level of verification requirements.
- 2.2** Risk-based verification is a method of applying different levels of verification checks to Housing and Council Tax Benefit claims according to the risk associated with these claims. This risk-based approach allows for verification activity to be targeted towards checking those claims at higher risk of fraud and/or error. Resource that has been freed up from the streamlined approach to low risk claims can be focused on these high risk claims.
- 2.3** The risk models used in the DWP research were developed over a two year period to accurately and consistently differentiate claims across three categories of low, medium and high risk and were subject to rigorous statistical evaluation.
- 2.4** As reduced verification is already practiced on claims administered in Jobcentres and the Pension Disability and Carers Service the DWP allowed local authorities to pilot risk-based verification in Housing and Council Tax benefit claims. It is the DWP intention for risk-based verification to be applied to Universal Credit claims.
- 2.5** In Housing Benefit administration local authorities have to take into account Housing Benefit Regulation 86 and Council Tax Benefit Regulation 72 when verifying claims. The Regulations state:
- “a person who makes a claim shall furnish such certificates, documents, information and evidence in connection with the claim as may reasonably be required by the relevant authority in order to determine that person’s entitlement to and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”*
- 2.6** The Audit instructions require auditors to audit against the Verification Framework standards unless the Council has adopted a risk-based verification policy. In these instances auditors will audit the grant claim against the Council's policy. Provided the auditors find that the Council adheres to its own policy, subsidy will be claimed at the normal rate of 100%.

3 Main issues

Risk- based verification

- 3.1** Risk- based verification assigns a risk rating to each housing and council tax benefit claim which determines the level of verification activity required. The risk profile will specify the level of verification required but there is nothing to stop more in individual cases.
- 3.2** Once the risk group category is identified individual claims cannot be downgraded by the benefits officer to a lower risk group. However, a claim can be upgraded if the benefits officer has valid reason to think this is appropriate.
- 3.3** Where the level of verification is low risk these claims can be processed much faster than before and with significantly reduced effort from benefit officers without increasing the risk of error.
- 3.4** Where the level of verification activity is rated as medium risk these claims continue to be verified to the current verification framework requirements which means the submission of full evidence of circumstances with all new claims supported by original documents.
- 3.5** Risk-based verification allows for verification activity to be targeted towards checking those claims at higher risk of fraud and/or error. Where the verification activity is rated as high risk these claims are subject to a higher level of verification check and are verified to the current verification framework requirements which means the submission of full evidence of circumstances with all new claims supported by original documents.

Risk profiles

- 3.6** To risk profile housing and council tax benefit claims the DWP allowed local authorities to either source an IT solution or use a clerical system. The Leeds pilot trialled an IT solution recognised by the DWP as an effective risk-based verification solution.
- 3.7** The software system is an established product that risk profiles housing and council tax benefit claims. The product is an impartial software tool which assesses against a number of components to classify the claim into one of the three categories of low, medium and high. The solution is known as a propensity solution and analyses data and claims from many local authorities to identify the propensity for fraud and error in a claim. The system processes hundreds of risk-based verification requests every day for local authorities that use this.
- 3.8** Risk profiles Appendix 2.

3.9 Pilot findings

- 3.10** Over the last nine months the pilot has been operating in Leeds over 24,000 housing and council tax benefit claims have been assessed and risk scored.

- 3.11** The Leeds findings meet the DWP expectations (refer to table 3.13) with more error detected in high risk claims than medium and more error detected in medium than low risk. To ensure the effectiveness of the risk profiles the system is rigorously checked through a series of blind sampling which involves a number of cases that would normally fall as low and medium risk being placed into medium and high risk so that additional verification activity is undertaken. The blind samples are undertaken without the Benefit Officers being aware and are therefore treated as any other medium and high risk claims. Where claim errors are detected from this blind sample these results are used to refine the risk profiles to ensure that new claims are being appropriately rated.
- 3.12** DWP expect local authorities risk profile (table 3.13) to be no more than 55% of new claims to be in low risk. Leeds is currently at 54%. The DWP expect the remaining 45% to be medium/high risk with 25% expected as medium and 20% in high risk. Leeds is currently reporting 33% in medium and 13% in high. We are working with the software provider to ensure the risk profile is redistributed to ensure a high number of high risk claims reported.

3.13 The pilot findings are:

Risk profile	Number of claims assessed	Risk profile distribution %	Verification errors detected and %
Low risk	13,506	54%	Errors detected 132 (1.0%)
Medium risk	6,878	33%	Errors detected 165 (2.4%)
High risk	3,912	13%	Errors detected 237 (6.1%)
Total	24,296	100%	Total 534 (2.2%)

3.14 Performance monitoring

- 3.15** The DWP expect local authorities that participate in risk based verification to set a robust baseline in which to record the impact of risk-based verification. The DWP guidelines allow local authorities to establish their own baseline for the level of fraud and error. Although the DWP suggests that councils use baseline data relating to their use of the Verification Framework, this is an unreliable and out of date measure because of inconsistency in recording the outcome and the fact that the service has been using the risk-based solution since June 2011. Leeds claim error detection is currently 2.2% whilst the error detection rate from the blind sampling is 2.6%. It is intended therefore to use the higher 2.6% figure as the baseline to measure the ongoing effectiveness of the risk-based solution.
- 3.16** Risk-based verification activity will be monitored and reported monthly in line with DWP expectations.

Scheme security

- 3.17** The scheme security does not rely exclusively on risk-based verification as the local authority also actively searches for likely cases of fraud and error amongst live claims by using the Housing Benefit Matching Service (HBMS). Legislation permits the DWP and other government services to supply information on claims to local authorities so that they might prevent, detect and investigate fraudulent and erroneous claims, and prosecute cases of fraud.

3.18 The DWP has increased the amount of information sent to local authorities through the Automatic Transfer to Local Authorities Solution (ATLAS). ATLAS sends information to Councils where there is a new DWP or tax credit award or a change of award and the customer is also in receipt of housing and council tax benefit. Receiving information automatically from the DWP ensures that claims are kept up to date and helps reduce the value of overpayments and underpayments, in particular where the customer fails to notify the Council of the claim or change, or provides the information late.

3.19 The Service also undertakes an interventions programme that targets both predicted changes and a risk based programme of activity which is undertaken through postal and home visiting activity to identify undeclared changes. Intervention activity is targeted on low risk claims and the findings on cases intervened demonstrate the risk profile to be correct with no error reported.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 This report is seeking the views of the Corporate Governance and Audit Committee in relation to the Policy. Discussions have also taken place with the Revenues and Benefits Chief Officer and managers in the Benefits Service.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Risk- based verification assigns a risk rating to each housing and council tax benefit claim which determines the level of verification required. When a risk rating is assigned no account is taken of ethnicity, gender, religion etc in determining the level of verification required. Risk- based verification therefore does not have any direct equality and diversity/cohesion and integration issues, as all cases are treated the same.

4.3 Council policies and City Priorities

4.3.1 This report does not impact on council policies and city priorities.

4.4 Resources and value for money

4.4.1 Risk-based verification is a solution to help minimise administrative requirements on low risk cases but without compromising the security of the claims processed. Resource that has been freed up from the streamlined approach to low risk claims can be focused on the high risk claims. Where the level of verification is low risk these claims can be processed much faster than before and with significantly reduced effort from Benefit Officers.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The information in Appendix 1 and 2 of this report has been identified as exempt under access to information procedure rules 7 because the information provided can relate to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime. The information is exempt as the public

interest in maintaining the exemption outweighs the public interest in disclosing the information.

4.5.2 There are no other legal or call-in issues arising from this report.

4.6 Risk Management

4.6.1 The key risk of operating risk-based verification in Leeds is that of the annual subsidy claim as risk-based verification will be the main basis for the subsidy claim audit. Risks however, will be mitigated by regular performance reports and quality assurance checks.

5. Conclusions

5.1 Overall the pilot findings demonstrate that targeting claims through risk-based Verification is the right approach as resources have been freed up from the Streamlined approach to allow more focus to detect claim error in the medium and high risk claims.

6.0 Recommendations

6.1 The recommendation is for the Audit and Governance Committee to consider the report in advance of the Council's Section 151 Officer approving the Policy.

7.0 Background documents¹

Appendix 1. Risk-based verification Policy and Procedure

Appendix 2. Risk profile

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

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Report of Director of Resources

Report to Corporate Governance & Audit Committee

Date: 27 March 2012

Subject: Business Continuity Programme update

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. An 'all service' criticality assessment has taken place to determine current services identified as critical. A service is critical if non-delivery generates an impact such as a potential loss of life or a failure to comply with legislative requirements.
2. A toolkit is due to be launched that will provide services with everything needed to develop a robust and effective Business Continuity Plan.
3. The Peace & Emergency Planning Unit will be monitoring compliance with the corporate Business Continuity Policy. The BC 'healthcheck' will be the initial phase for auditing service resilience.
4. A programme of validation by means of exercising plans is in development.

Recommendations

5. The Committee note this report for information and receive an annual update with quantitative achievements from 2013.

1 Purpose of this report

- 1.1 To provide assurance on the adequacy of policies and practices surrounding Business Continuity arrangements.

2 Background information

- 2.1 The Civil Contingencies Act 2004 made it a statutory duty of the Council to have in place arrangements to continue services in the event of a disruption, through Business Continuity Management (BCM). The way in which the overall BCM process is implemented is at the organisations discretion. Leeds City Council has had a BC policy and programme that predates the legislative requirement.
- 2.2 Business Continuity across the organisation is nothing new and a concept many will be familiar with. A considerable commitment was made by Corporate Leadership Team and each Directorate on the preparation for and management of pandemic flu in 2009. This period identified a number of gaps in arrangements, particularly a lack of confidence in the currency and validity of some service Business Continuity plans. In order to rectify this, a benchmarking checklist was developed to ensure that all plans were of a standard fit for the response and management throughout a disruptive event and the recovery afterwards.
- 2.3 In the last two years, organisational change has provided an opportunity to review and identify improvements to the BC programme. The Corporate Risk Management Group (CRMG) supported a wholesale revision to the approach to BCM in order to work towards compliance with a new British Standard for Business Continuity, BS25999. This renewal also incorporates learning from the experiences of previous events to create a fit for purpose programme suited to the organisation Leeds City Council has become. This includes a more developed understanding of the breadth of services delivered across the Council, seeking out those functions assessed as most critical. The programme is structured in such a way as to suit both internally delivered and commissioned services.

3 Main issues

- 3.1 A criticality assessment template was issued in 2011 to all services within the Council and from this a list of Critical Services was developed for each directorate. This list was issued to CRMG representatives to progress a final check and validation of the critical services from each Directorate Management Team. Of 526 services assessed by managers using the criticality assessment template, 519 (99%) have been completed and returned. This has identified a total of 119 services assessed as critical.
- 3.2 The programme manager is ready to launch the Business Continuity Management toolkit across the organisation. The toolkit will be available to any service, however there will be a requirement placed upon critical services to complete the toolkit contents. The toolkit is designed to meet each requirement of the good practice guidelines and British Standard 25999. The stages that compromise the Council's BCM programme are reflected in the toolkit.

3.3 The BCM Toolkit includes:

- A BCM Policy
- A BCM Strategy
- Criticality Assessments
- Business Impact Analysis (BIA) Template – To determine service functions and risks
- BIA Guidance
- Business Continuity Plan (BCP) Template – A plan template to aid services in responding to disruptive events
- BCP Guidance
- Business Continuity Plan Health Check Review – Designed to provide a structured process by which managers and others responsible for continuity arrangements can assess the content of BCPs regardless of plan format or style. Based on the good practice guidance contained within BS 25999, users of the BCP Health Check Review will find a checklist style format with sections where comments can be recorded. The BCP Health Check Review will be used by PEPU as a consistent tool to review existing BCPs.
- IT Systems Disaster Recovery Checklist - to assess the content of existing Disaster Recovery Plans

3.4 The rollout of the BCM programme recognises that a great deal of work has been undertaken and that many arrangements in place are already recognised as good practice by the Peace & Emergency Planning Unit, when acting as auditor. In critical services where existing BCPs are in place, these will be reviewed by the BCM Programme Manager using the BCP Health Check Review. For critical services where BCPs are not in place, support will be offered to managers in using the toolkit to develop their own set of arrangements.

3.5 The guidance builds upon a principle of core service planning assumptions that are intrinsic to the functioning of all other BC Plans. Core services include Information Communications Technology (ICT), Buildings & Facilities and Human Resources (HR). Clearly setting out to Council services what they can and cannot expect from the 'Core Services' provides a suitable baseline for their own contingency arrangements. In short, knowing if they have to worry about finding another building, can they depend on a guaranteed piece of software from ICT, and if disruption is due to staffing, what will HR be able to do. This helps manage expectations and ensures no assumptions are made incorrectly.

3.6 Once the programme can demonstrate that all the critical service areas have embedded BC plans, future work will need to focus on the audit of services highly dependent upon outsourcing or where the Council services are concerned with commissioning. The Council should expect its contractors and partners to have robust and fit for purpose BC plans. There are recent examples whereby the continuity of Council services undertaken by a partner have failed, creating a reputational and liability risk on Leeds City Council. There will be much work required to ensure that the transition of health services into the Council portfolio are mapped and that compliance with the BCM policy reaches into new service areas.

- 3.7 In order to ensure compliance with the Policy the Peace & Emergency Planning unit will receive annual Health Check returns from Critical Services. It will also implement a programme of validation including exercising and testing of the BC plans in collaboration with services. Such arrangements are typical of BS25999. It is recognised that this can be resource intensive and the wider team of Emergency Planning officers will be providing support to the BC Programme Manager in delivering the programme.
- 3.8 Where any service is identified to be falling below the standards set out in the Policy or where the principles linked to the health check are not met, this will be escalated to Directorate Management Teams and to the Corporate Risk Management Group for attention.
- 3.9 A priority for the next 12 months will be to dovetail BCM related arrangements for industrial action and for disaster recovery following a review of the recent industrial action.
- 3.10 Leeds City Council continue to promote and support private sector resilience through the Leeds Business Continuity Network. A resilient city is better able to manage through and recover from disruption. This will reduce the short and long term impacts of disruption on our citizens.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The BCM toolkit has been shared with the Emergency Planning College and within the Core Cities network of BC professionals for peer review. CRMG and DMTs have had input into the process to ensure that the toolkit suits its users.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.2 All templates have been assessed by the Equality Team to check that due regard has been given to any equality and diversity and plain English requirements.

4.3 Council policies and City Priorities

- 4.3.1 The Council Business Continuity Policy sets out the requirements placed upon services across the Council.

4.4 Resources and value for money

- 4.4.1 No implications

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 A failure to deliver critical services may result in a risk to life and limb or a failure to comply with our legal responsibilities. A robust Business Continuity programme should reduce the likelihood of litigation against the Council for failing to meet its responsibilities.

4.6 Risk Management

- 4.6.1 Business Continuity and Emergency Planning is rated as 'High' on the Corporate Risk Register. Quarterly updates are provided to the Corporate Risk Management Group.

5 Conclusions

- 5.1 A full and fresh review of all services has ensured that there is an accurate list of critical services within the organisation. The launch of the toolkit will assist these services in meeting the Councils legislative responsibilities. The Peace & Emergency Planning Unit will be monitoring compliance with the corporate Business Continuity Policy and the BC 'healthcheck' will be the initial phase for undertaking a compliance audit. A programme of validation by means of exercising plans is in development. Dovetailing Business Continuity, Industrial Action and Disaster Recovery arrangements will be a priority over the next 12 months following a review of the recent industrial action.
- 5.2 There will be a need to monitor organisational change and ensure that the Council with its partners continues to identify which services are critical and that appropriate plans are in place for these.

6 Recommendations

- 6.1 The Committee note this report for information and receive an annual update with quantitative achievements from 2013.

7 Background documents¹

- 7.1 BCM Policy
- 7.2 BCM Strategy
- 7.3 Criticality Assessments
- 7.4 Business Impact Analysis (BIA) Template
- 7.5 BIA Guidance
- 7.6 Business Continuity Plan (BCP) Template
- 7.7 BCP Guidance
- 7.8 Business Continuity Plan Health Check Review
- 7.9 IT Systems Disaster Recovery Checklist (in development)

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

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Report of Director of Resources

Report to Corporate Governance and Audit Committee

Date: 27th March 2012

Subject: Work Programme

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. Members are requested to consider whether they wish to add any items to the work programme.
2. The draft work programme is attached at Appendix 1.

Recommendations

3. Members are asked to note the draft work programme and advise officers of any additional items they wish to add.

1 Purpose of this report

- 1.1 The Purpose of this report is to notify Members of the Committee of the draft work programme. The draft work programme is attached at Appendix 1

2 Background information

- 2.1 The work programme provides information about the future items for the Corporate Governance and Audit Committee agenda, when items will be presented and which officer will be responsible for the item.

3 Main issues

- 3.1 Members are requested to consider whether they wish to add any items to the work programme

3.2 The draft work programme is attached at Appendix 1

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 This report consults Members on the content of the work programme of the Committee.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 No significant issues.

4.3 Council Policies and City Priorities

4.3.1 This report helps support the implementation of the Code of Corporate Governance.

4.4 Resources and Value for Money

4.4.1 It is in the best interests of the Council to have sound control arrangements in place to ensure effective use of resources, these should be regularly reviewed and monitored as such the work programme directly contributes to this.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This report is not an executive function and is not subject to call in.

4.6 Risk Management

4.6.1 By the Committee being assured that effective controls are in place throughout the Council the work programme promotes the management of risk at the Council.

4.6.2 The work programme adopts a risk based approach to the significant governance arrangements of the Council.

5 Conclusions

5.1 The work programme of the Committee should be reviewed regularly and be updated appropriately in line with the risks currently facing the Council.

6 Recommendations

6.1 Members are asked to note the work programme and advise officers of any additional items they wish to add.

**CORPORATE GOVERNANCE AND AUDIT COMMITTEE
WORK PROGRAMME**

ITEM	DESCRIPTION	RESPONSIBLE OFFICER
April 23rd - 2012		
Annual Report on Community Engagement	To receive a report presenting the annual report on Community Engagement.	Assistant Chief Executive (Planning, Policy and Improvement) James Rogers
Annual Report on Planning Framework	To receive the Annual report on the Planning Framework and the assurance that it provides	Chief Planning Officer Phil Crabtree
Internal Audit Report	To receive a report presenting the Internal Audit report on current issues.	Chief Officer (Audit and Risk) Tim Pouncey
Financial Procedure Rules	To receive a revised version of the Financial Procedure Rules for comment	Chief Officer (Audit and Risk) Tim Pouncey
Internal audit Plan	To receive and consider a report presenting the Internal Audit Plan	Chief Officer (Audit and Risk) Tim Pouncey
Accounting Update	To provide Members with clarification on current accounting rules	Chief Officer (Financial Management) Doug Meeson
July 2012 (date to be confirmed)		
Annual Report on Risk and Performance Management	To receive a report regarding the Council's risk and performance management arrangements.	Chief Officer (Audit and Risk) Tim Pouncey / Chief Officer (Intelligence and Improvement)
KPMG – Interim Audit report	To receive a report summarising the results from the preliminary stages of KPMG's audit, including testing of financial and other controls	Chief Officer (Financial Management) Doug Meeson

CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

ITEM	DESCRIPTION	RESPONSIBLE OFFICER
Access to Information	To receive a report updating the Committee on the effectiveness of the Council's RIPA policy	Head of Property Finance & Technology
Decision Making Framework; Annual Assurance Report	To receive a report presenting the outcome of the monitoring process relating to Key and Major decisions.	Head of Governance Services Andy Hodson
ALMO Annual Assurance Report	To receive the Annual Assurance report from Strategic Landlord based on the assurances received from the ALMOs. (This report is part of the committee's annual work programme)	Strategic Landlord Liz Cook
Achievement of Appraisal Objectives	To receive a report updating the Committee on progress made in achieving the objective of all staff receiving an appraisal	Chief Officer (HR) Lorraine Hallam
Staff Engagement	To receive a report providing assurance that staff are fully involved in delivering change and feel able to make an impact on how services are delivered.	Chief Officer (HR) Lorraine Hallam
Equality and Engagement	To receive a report providing assurance that all major decisions evidence that appropriate consideration of equality issues can be taken	Chief Officer (Localities and Partnerships)
Work Force Planning	To receive a report providing assurance that arrangements are in place to enable the reduction in the size of the work force required by the budget	Chief Officer (HR) Lorraine Hallam
September 2012 (date to be confirmed)		
KPMG – Report to those charged with governance	To receive a report summarising the results of the 2011/12 audit including key issues and recommendations raised as a result of our observations	Chief Officer (Financial Management) Doug Meeson
Annual Internal Audit Report	To receive the Annual Internal Audit Report	Chief Officer (Audit and Risk) Tim Pouncey

CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

ITEM	DESCRIPTION	RESPONSIBLE OFFICER
Local Government Ombudsman's Annual Letter	To receive the annual letter from the Local Government Ombudsman. (This report is on the agenda as part of the Committee's Annual work programme)	Corporate Customer Relations Manager Wendy Allinson
Capital Programme Approvals	To receive a report updating the Committee with regards to the implementation of the new capital programme approvals framework (report added to the work programme on 23 rd January 2012)	Chief Officer (Financial Development) Maureen Taylor
Annual Governance Statement	To receive the Annual Governance Statement	Head of Governance Services Andy Hodson
November 2012 (date to be confirmed)		
KPMG – Annual Audit Letter	To receive a report providing a summary of the results of the audit for 2011/12	Chief Officer (Financial Management) Doug Meeson
Bi – Monthly Internal Audit Report	To receive a report updating the Committee on the latest Internal Audit developments	Chief Officer (Audit and Risk) Tim Pouncey
Un-scheduled items for 2011/12		
Future Development in Accounting Standards	To receive a report detailing the effect of Future developments in Accounting Standards that will effect the Council	Chief Officer (Financial Management) Doug Meeson
Review of the Code of Corporate Governance	To receive a report reviewing the code of corporate governance	Head of Governance Services Andy Hodson
Leeds City Region – Local Enterprise Partnership Governance	To receive a report updating the Committee on the Governance arrangements surrounding the Leeds City Region	Chief Officer (Localities and Partnerships)
Spending Money Wisely	To receive a report providing assurance that effective arrangements are in place to ensure the Council spends money wisely	Chief Officer (Audit and Risk) Tim Pouncey

**CORPORATE GOVERNANCE AND AUDIT COMMITTEE
WORK PROGRAMME**

ITEM	DESCRIPTION	RESPONSIBLE OFFICER
Local Public Audit	To receive a report updating the Committee on the latest developments from the department for Communities and Local Government with regards to Local Public Audit	Chief Officer (Audit and Risk) Tim Pouncey
Transformation of Procurement	To receive report updating the Committee on the transformation of procurement	Chief Officer Public Private Partnership Unit and Procurement Dave Outram
Compliance with Contract Procedure Rules	To receive a report updating the Committee on progress made in terms of compliance with Contract Procedure Rules across the Council	Chief Officer Public Private Partnership Unit and Procurement Dave Outram