



CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Wednesday, 9th April, 2014
at 2.00 pm

MEMBERSHIP

Councillors

P Grahame	J Bentley	C Fox	R Finnigan
N Taggart		R Wood	
T Hanley			
G Hussain (Chair)			
E Taylor			
J Illingworth			
J Hardy			

- **Please note at 1:30pm prior to the meeting of the Committee KPMG will provide a briefing to Members on Protecting the Public Purse**

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 15.2 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 15.2, 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 DISCLOSABLE PECUNIARY AND OTHER INTERESTS'</p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE</p> <p>To receive any apologies for absence.</p>	
6			<p>MINUTES 21ST JANUARY 2014</p> <p>To receive the minutes of the meeting held on 21st January 2014</p>	1 - 6
7			<p>MANDATORY IMPLEMENTATION OF THE DCLG CODE OF RECOMMENDED PRACTICE FOR LOCAL AUTHORITIES ON DATA TRANSPARENCY</p> <p>To receive a report of The Deputy Chief Executive which provides the Committee with assurance that the Council is meeting its obligation to publish mandatory datasets as prescribed by the Code of Recommended Practice.</p>	7 - 18

Item No	Ward	Item Not Open		Page No
8			<p>BUSINESS CONTINUITY ARRANGEMENTS FOR LCC'S CRITICAL SERVICES</p> <p>To receive a report of the Deputy Chief Executive providing assurance that the business continuity plans and arrangements in place for LCC's critical services are fit for purpose, up to date, embedded and being routinely complied with. The report also provides assurance that LCC is compliant with the statutory duties detailed in the Civil Contingencies Act 2004.</p>	19 - 26
9			<p>UPDATE OF THE WHISTLEBLOWING POLICY AND RAISING CONCERNS POLICY</p> <p>To receive a report of the Chief Officer, Audit and Investment which consults the Committee upon a review that is taking place of the Council's Whistleblowing Policy and Raising Concerns Policy. The report informs the Committee of the revisions in accordance with the changes to Public Interest Disclosure legislation, and provides an opportunity to comment on the current proposals.</p>	27 - 46
10			<p>CORPORATE GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT</p> <p>To receive a report of the City Solicitor presenting the Committee Annual Report which provides an overview of the work completed by the Committee over the 2013/14 municipal year.</p>	47 - 56
11			<p>WORK PROGRAMME REPORT</p> <p>To receive a report of the City Solicitor notifying Members of the Committee of the draft work programme.</p>	57 - 62

Item No	Ward	Item Not Open		Page No
12			<p data-bbox="676 181 1353 286">INTERNAL AUDIT UPDATE REPORT 1ST DECEMBER 2013 TO 28TH FEBRUARY 2014 AND INTERNAL AUDIT PLAN 2014/15</p> <p data-bbox="676 331 1394 651">To receive a report of the Chief Officer (Audit and Investment) which provides a summary of internal audit activity for the period 1st December 2013 to 28th February 2014 and highlight the incidence of any significant control failings or weaknesses. The proposed Internal Audit Plan for 2014/15 is also included as part of the report and has been challenged and agreed by the Deputy Chief Executive.</p> <p data-bbox="676 725 991 759">Third Party Recording</p> <p data-bbox="676 801 1382 1014">Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.</p> <p data-bbox="676 1057 1310 1126">Use of Recordings by Third Parties– code of practice</p> <p data-bbox="676 1169 1401 1382">a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.</p> <p data-bbox="676 1391 1385 1675">b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.</p>	63 - 98

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Agenda Item 6

Corporate Governance and Audit Committee

Tuesday, 21st January, 2014

PRESENT: Councillor G Hussain in the Chair
Councillors N Taggart, T Hanley, C Fox,
R Wood, E Taylor, J Illingworth, J Bentley
and J Hardy

Apologies Councillor P Grahame

43 Appeals Against Refusal of Inspection of Documents

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

44 Exempt Information - Possible Exclusion of the Press and Public

Members discussed the rules surrounding conducting aspects of the meeting in private session in light of an on-going investigation at a partner organisation by Internal Audit and West Yorkshire Police. Officers advised that the investigation should not be discussed at this stage but that as soon as it is appropriate to do so, details will be provided to the committee so that they may fulfil their responsibilities to have oversight of the control environment and receive assurances that recommendations have been implemented to ensure there are no control weaknesses.

There were no resolutions to exclude the public.

45 Late Items

There were no late items submitted to the agenda for consideration. However Members were in receipt of a revised version of the KPMG External Audit Plan, Agenda Item 9, (Minute 51. refers). This had been received following publication and printing of the agenda.

46 Declaration of Disclosable Pecuniary and Other Interests'

There were no declarations made.

47 Apologies for Absence

Apologies for absence were received from Councillor P Grahame

48 Minutes - 8th November 2013

RESOLVED – The minutes of the meeting held on 8th November 2013 were approved as a correct record.

49 KPMG report - Annual Audit Letter 2012/13

The Deputy Chief Executive submitted a report which provided a summary of the of the key external audit findings in respect of the 2012/13 financial year.

The Chair welcomed John Prentice a Director of KPMG who has been given responsibility for undertaking the external audit work at the Council.

RESOLVED – The Committee resolved to note the conclusions and recommendations arising from the 2012/13 external audit process.

50 KPMG Certification of grants and returns 2012/13

The Deputy Chief Executive submitted a report which informed Members of the result of the work KPMG have carried out on the certification of grant claims in respect of 2012/13.

John Prentice of KPMG was in attendance to help answer Members' questions.

Members asked questions about the process surrounding certification of grants.

Questions were also asked about the possibility of comparisons being made in this area against other core cities. Members were informed that no direct comparisons have been made but that audit bodies are expected to receive feedback on performance at a national level in the next few months.

Members congratulated the finance team for their work in this area.

RESOLVED – The Committee resolved to note the results of the work KPMG have carried out on the certification of grants and returns for the financial year 2012/13.

51 KPMG External Audit Plan 2013/14

The Deputy Chief Executive submitted a report which informed Members of KPMG's audit plan for the audit of the Council's accounts and Value for Money Arrangements. The attached report from KPMG highlighted the risk based approach to the audit and the main risks they have identified for 2013/14.

John Prentice of KPMG was in attendance to help answer Members' questions and provided Members with a brief description of his experience of working in external audit and an outline of the main elements of the audit plan.

Members discussed PFI contracts that have been awarded in recent years specifically commenting on their inflexibility and what possibilities there were for renegotiation. KPMG informed members that they will be considering PFI contracts as part of their accounts and Value for Money work.

RESOLVED – The Committee resolved to agree the nature and scope of the audit plan.

52 Update 4 - Shared Service Partnership with Calderdale Metropolitan Borough Council to meet Adult Social Care Technology Requirements

The Director of Adult Social Services submitted a report which provided an update on the progress on the ASC Systems Review Programme. It further provided assurance to the Committee that the challenges that have been faced have been resolved and the project is on track to provide the required technology solution within Adult Social Care.

The Chief Officer (Resources and Strategy) and the Senior Project Manager (Resources) were in attendance to answer Members' questions.

Members discussed the risks of sharing information and what governance structures were in place to mitigate against these.

The flexibility of the new system in relation to changing legislation was questioned. Members were informed it was difficult to predict what legislation would change but the new system is seen as adaptable to any changes in legal requirements.

Members asked questions about the delivery of the project and whether it was running to schedule. Members were informed that the project had slipped a couple of months to 1st June 2014 from the original intended start date of April 1st 2014. Members were also informed that the impact of the new system on front line staff was being closely monitored.

Members were supportive of the project, noted the benefits of local authorities coming together and wished it every success.

RESOLVED - The Committee resolved to:

- (a) note the progress that has been made, as well as the challenges that have been resolved; and
- (b) agree to receive a further report on the progress of the programme following the successful implementation. However, if any further issues are encountered that affect the quality, cost or timescales of the implementation, it is recommended that these are raised with the Chair

of the Committee and brought back to the full Committee if deemed appropriate.

53 Report of the Information Commissioner's Office following a Data Protection Audit conducted across the Council

The Executive Officer Information Governance presented a report of the Assistant Chief Executive (Citizens and Communities) which ensured that the Committee had had sight of the recommendations contained within the ICO audit report and consider their implications for the Council.

Members discussed the report and asked questions about its contents specifically in relation to the shredding of paper and the need to get all services included in the corporate contract.

Members debated the laws surrounding the storage of data in different geographical areas.

RESOLVED – The Committee resolved to note the level of assurance the Council has provided the Information Commissioners Office in respect of its processes and procedures for delivering data protection compliance.

54 Internal Audit Update Report 1st September to 30th November 2013

The Chief Officer (Audit and Investment) presented his report which provided a summary of Internal Audit Activity for the period 1st September to 30th November 2013. The report highlighted the incidence of any significant control failings or weaknesses.

Members discussed the report in detail. Following comments by the Chief Officer (Audit and Investment) about a reduction in resources available Members sought assurance that there would be no reduction in the ability of the service to complete obligations under Section 151 of the Local Government Act and to undertake audits of key financial systems that KPMG rely upon for the final accounts audit. The Chief Officer (Audit and Investment) confirmed that initial work on the 2014/15 audit plan indicated that sufficient resources would be available to provide an evidenced based opinion on the control environment.

Members specifically discussed the audit reports issued that were provided with a low level of compliance assurance. Reasons behind the low assurance and information on what follow up work the Internal Audit service will undertake was provided by the Chief Officer (Audit and Investment)

Members suggested two areas of work for Internal Audit to review as part of the audit plan for 2014/15 which will be presented in full for members comments at the next meeting; agency staff and school reserves. Following further discussion, school reserves were not considered an appropriate area for audit review in 2014/15 and the Chief Officer (Audit and Investment) confirmed that, following Members previous comments on agency staffing,

this review had been brought forward and featured in the current year's audit plan. Furthermore, Members discussed the issue of unoccupied council properties as an area of concern.

The spending money wisely work completed by Internal Audit was questioned by Members specifically in relation to work done prior to money being spent.

RESOLVED - The Committee resolved to note the contents of the report.

55 Work Programme

The City Solicitor submitted a report notifying Members of the work programme.

The Committee reviewed its forthcoming work programme.

RESOLVED – The Committee resolved to note the work programme.

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Report authors: Stephen Blackburn and Andrew Nutting
Tel: 39 52758

Report of the Deputy Chief Executive

Report to Corporate Governance and Audit Committee

Date: Wednesday 9th April 2014

Subject: Mandatory implementation of the DCLG Code of Recommended Practice for Local Authorities on Data Transparency

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. Central government has made recent changes to the Code of Recommended Practice for Local Authorities on Data Transparency. Some elements of the old Code are to be removed and replaced by other new pieces of data and information. The existing *recommended* Code is to become mandatory and enforceable by legislation.
2. Some of the work which will be required to publish will not be inconsiderable. Services directly affected by the changes will need to consider what they are currently publishing, how this conforms to the Code, and what changes to processes may need to be made in order to comply.
3. This report provides members of the Corporate Governance and Audit Committee with the assurance that work being undertaken across the council will ensure compliance to the mandatory requirements of the amended Code of Practice for Local Authorities on Data Transparency.

Recommendations

4. Corporate Governance and Audit Committee is asked to consider the contents of this report and the assurances provided, to ensure the council meets its obligations in complying with the Code.

1 Purpose of this report

- 1.1 To provide Corporate Governance and Audit Committee with assurance that the council is meeting its obligation to publish mandatory datasets as prescribed by the Code of Recommended Practice.

2 Background information

- 2.1 The Code of Recommended Practice for Local Authorities on Data Transparency was originally published in September 2011. It recommended that ten pieces of data/information be published by local authorities not only to promote openness and transparency, but also to engage with the wider Open Data agenda.
- 2.2 Open Data could be considered as 'the publication of non-personally identifiable or non-business sensitive data produced in the course of an organisation's ordinary business, which has been released under an unrestricted licence'. The UK Government's open data white paper, 'Unleashing the Potential' outlines how it sees the publication of public sector data as key to driving economic growth, innovation and empowering citizens.
- 2.3 A year after the Code's initial publication, the government carried out a consultation exercise looking at whether the focus should shift from 'recommended' to 'mandatory' publication of datasets. Consultation ended on 22nd December 2012. The council submitted a response which consisted of comments from those services directly affected as well as those who have a wider interest in open data, information governance, and data transparency. Please refer to Appendix A for details of the council's response.
- 2.4 Ministers published their findings in December 2013. Some of the datasets listed in the initial publication were removed and replaced by others. It also stated that the code would become law and be monitored by the Information Commissioner's Office (ICO) using existing Freedom of Information Act powers.

3 Main issues

- 3.1 As an authority, Leeds City Council has made good progress in publishing the required datasets. All datasets outlined in the original Code of Transparency, will be published by 1st April 2014. DCLG is proposing amendments to the specifications of some of the requirements. For example, it is proposed to reduce the threshold for contract and tender publication to £5,000, and to include budget and responsibility information for senior officers. Clarification on some aspects of these changes is still awaited from DCLG. A summary of the progress made on publishing each of the datasets is listed in Appendix B.
- 3.2 The datasets required by the revised code are listed below. The report highlights whether these datasets are on the existing code, are listed but have been amended, or are new datasets:

- **Existing:** Expenditure exceeding £500 (quarterly publication)

- **New:** All Government Procurement Card transactions (P-Cards) (quarterly publication)
- **Amended:** Procurement information – contracts, commissioned activity etc. above £5,000 (quarterly publication)
- **Existing:** Local authority land and buildings (annual publication)
- **Existing:** Grants to voluntary, community and social enterprise organisations (annual publication)
- **Amended:** Organisation chart for the top three tiers (annual publication)
- **New:** Trade union facility time (annual publication)
- **New:** Parking revenues (annual publication)
- **New:** Controlled parking spaces (annual publication)
- **Amended:** Senior officer salaries for those paid over £50,000pa (annual publication)
- **Amended:** The council constitution (annual publication)
- **Existing:** The pay multiple for the organisation - the ratio between the highest paid salary and the median salary of the whole of the authority's workforce (annual publication)

3.3 Datasets which have been **removed** from the original Code include:

- Councillor allowances and expenses
- Policies, performance, external audits and key inspections and key indicators on the authorities' fiscal and financial position

3.4 The main issue following Ministers' comments on the consultation is the reduction in the contracts and tenders threshold from £10,000 to £5,000. Procurement has consulted with other authorities in the Yorkshire and Humber region and there is widespread agreement that the threshold reduction to £5,000 would be problematic because it would place a significant administrative burden on existing resources to comply with the amended requirement.

3.5 It is acknowledged, even by DCLG itself, that the exact detail of what is being asked for with some datasets is still unclear. They state that they are still awaiting comments from Ministers. Until it has been made clear exactly what information needs to be included in all datasets, as an authority we will make a judgement on a case by case basis and publish what we believe is acceptable.

3.6 Since the publication of the consultation, work has been undertaken to identify which service areas would need to publish the above datasets. The approach taken was one of being proactive rather than reactive and the focus was on

aiming to comply with the Code as far as possible to enable ease of transition should it become mandatory. This is seen as 'phase 1' of the council's overall open data strategy.

- 3.7 'Phase 2' is focusing on the proactive publication of datasets which fall outside the scope of the Recommended Code of Practice. This has involved engagement with service areas across the council and the Leeds digital community, with work being aligned to the council's involvement with digital cities. Furthermore, council datasets are being published in line with the Re-Use of Public Sector Information Regulations, with the aim of providing re-use of council data across the city and wider region. It is widely acknowledged that releasing public sector data can help stimulate the economy by allowing the re-use of data for purposes other than it was originally collected. The digital community are keen to re-use council data in their websites and mobile phone apps, which could lead to the employment of local people.
- 3.8 We are reinforcing the message to services that publication of datasets is not a one-off event and will require continual maintenance. Guidance about publication of datasets is to be drafted to ensure the council has a consistent methodology for proactively publishing information, and ensure compliance with privacy legislation.
- 3.9 Committee considered a report about the Code of Recommended Practice on Local Authority Data Transparency on 8th December 2011 and since this time much work has been carried out in ensuring we have a fully functioning Open Data platform to easily publish our data to.
- 3.10 The council's Publication Scheme – listings of all published data and information – has been incorporated into the Open Data site providing an interactive portal for citizens and businesses to easily search for, and access all published information. The council is leading on a project to store data from across the city, 'Leeds Data Mill'. All council data, along with other organisations across the city, will eventually be stored on this platform. Some of the first datasets to be published here will be those listed in the Code.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Following publication of the consultation document in September 2011, key officers from directorates and services who would potentially be affected were consulted. Corporate Leadership Team, along with representatives from Legal Services, Information Governance and Intelligence teams, Data Practitioners, and Information Governance Management Board members were consulted.
- 4.1.2 Following publication of Ministers' findings in December 2013, a short 3 week (excluding Christmas) window was given for further feedback from local authorities on the proposed changes being made. The proposed changes included slight amendments to the content of the Code in terms of what should be published, and the inclusion of the 'mandatory' element.

4.1.3 Services directly involved with publishing mandatory datasets, and those officers with an interest in the Code were consulted for further feedback. This feedback was submitted to DCLG by the due date of 17th January 2014 and was also presented to them at a workshop in Wakefield on the 16th January 2014. Details of these comments can be provided upon request. Final comments from Ministers are expected by mid-April 2014.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 This Code is being implemented by central government, however equalities, diversity, cohesion and integration are all being considered as part of delivering the requirements laid out in the Code of Recommended Practice for Local Authorities on Data Transparency. This refers to the way training is being delivered to enable publication of the datasets, as well as how this impacts on staff and partners.

4.3 Council policies and City Priorities

4.3.1 The Code in itself does not affect any council policies or have any implications on city priorities. However, the work being conducted does link to one of the council's values in being an open, honest and trusted organisation.

4.4 Resources and value for money

4.4.1 There are resource implications to those services which would need to publish this data. In some cases, publication is already happening (e.g. Finance – publication of expenditure over £500), however, for those areas where this is a new piece of work it needs to be recognised that there may be initial up-front resource implications.

4.4.2 Not all datasets will require much additional work (e.g. Salary multiples of the organisation). This is an annual publication and a minor piece of work. Publishing all invitations to tender and awarded contracts over £5,000 would require a significant amount of work. This information is currently published over £10,000 however there is a disproportionate increase in the information which will need to be supplied between £5,000 and £10,000 in proportion to the value of these lower contracts.

4.4.3 Publishing council datasets not only aids transparency but can also increase their value. In many cases they are re-used by the digital community for purposes other than original usage within the council. Publication contributes to the council's values of Being Open, Honest and Trusted and Spending Money Wisely.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The proposal by government is to make the Code a legally binding document as of 1st April 2014. There is no expectation that all datasets listed in the code must be published by that date, however it is expected that they will be published by the next occurrence. For example, a dataset which needs to be published on a quarterly basis must be published by 30th June 2014 at the latest and a dataset

which needs to be published on an annual basis would need to be made available by 31st March 2015 at the latest.

- 4.5.2 It is understood that Government intends using existing powers within the Freedom of Information Act 2000 to enforce the Code. Whilst there will be no monitoring to ensure compliance, the Information Commissioner's Office (ICO) will investigate any instances which are brought to their attention where publication has not been carried out.

4.6 Risk Management

- 4.6.1 The main risk associated with not publishing data and information listed in the Code is that the authority could be reported to the ICO and the council ultimately be forced to publish where the Code hasn't been complied with.

5 Conclusions

- 5.1 The council is compliant in respect of publishing the requisite datasets listed in the DCLG Code of Recommended Practice for Local Authorities on Data Transparency. However, following consultation, DCLG and Ministers are now considering some minor, but significant amendments to some of these datasets.
- 5.2 DCLG has informed the council to expect a decision by Ministers regarding proposed amendments by mid-April 2014. A decision to amend the code may result in additional work for some services. This would be necessary to ensure full compliance with a further amended Code.
- 5.3 This Committee will receive a further report if difficulties are experienced in attaining full compliance to an amended Code approved by DCLG.

6 Recommendations

- 6.1 Corporate Governance and Audit Committee is asked to consider the contents of this report and the assurances provided to enable Leeds City Council in meeting its obligations in complying with the Code.

7 Background documents¹

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Improving local government transparency consultation: making ‘the code of recommended practice for local government on data transparency’ enforceable by regulations

Department of Communities and Local Government
<p>1. What amendments or additions could be made to paragraphs 10 and 11 of the Code to aid compliance?</p> <p><i>The easier and less prescriptive the process is, the easier it will be for LAs to be compliant with the code.</i></p> <p><i>LCC wants to be proactive in releasing data – this contributes to one of our 5 values of ‘Being open, honest and trusted’. Being prescriptive may hinder what LCC is trying to achieve.</i></p> <p><i>Clarification is needed as to how this sits with the publication scheme, not clear whether we are to introduce a second list which will effectively mirror the publication scheme resulting in additional resources required to double publish.</i></p>
<p>2. What data streams could be added to the Code to aid transparency where services are contracted-out; and help greater access to contract information?</p> <p><i>It is the council’s view to publish data streams which have been requested and are relevant to the citizens and businesses of Leeds.</i></p> <p><i>Expenditure is already published through the council’s open data site, and it is intended to publish contracts information through YORtender (with a link from the open data site). We are currently working through the detail of how to manage confidential matters, particularly personal data and information which is commercially confidential to the council or its particular contractors.</i></p>
<p>3. Are there other data sets which would be useful to the public that the council might want to consider making available at a future date?</p> <p><i>LCC wants to consult with businesses, voluntary organisations and the public to understand what data they actually want and which will allow them to generate more business and set up/improve services.</i></p> <p><i>We would support sharing of good practice models across local authorities, particularly where these are backed up by resident feedback that highlights the impact made by making the data available. Local authorities should have the flexibility to respond to what local people want and be able to prioritise accordingly rather than following a prescriptive list that may not be valued by the public.</i></p>
<p>4. Is the description of minimum standards and proposed timing to achieve them correct?</p> <p><i>Description of minimum standards seems straightforward and clear enough, however to publish in various formats (required to achieve 3 star status) may not be cost effective, difficult to administer, and unnecessary. The timescales set are restrictive and would be difficult to adhere to - in particular the target to achieve 3 star status from 2 star for all published datasets within 6 months of the revised code being published.</i></p> <p><i>We have concern that copies of contracts and tenders will in many cases incorporate commercially sensitive and on occasion personal information. The resources required to check every contract/tender for compliance with DPA/FOI would be enormous.</i></p>

5. Is the process of what will happen if the Code is to be enforced clear?

There doesn't appear to be any substantial information provided and it is debatable whether this can be viewed as being a 'considered approach' as mentioned in point 30 of the consultation document. LCC wants to actively push the agenda as this contributes to its own values. It doesn't need a mandatory code which it must work within.

**Specific questions relating to Local Authority Land and Building assets:
Appendix B to the consultation paper.**

B1. Do you agree with the information being published?

The council's view is that datasets in relation to land and building assets would be a positive 'aspiration' to have.

Much of this information is either not currently collected or if it is constantly changing and would put further pressure on resources to keep up to date. It is also unclear whether these are of any great interest to the public.

B2. Are there other attributes that should be published to help hold councils to account or to help drive performance?

Income data through revenue and capital receipts could be published. Data on operational costs of maintaining council buildings could be looked into. It is the council's view however that any additional datasets should be aspirational rather than mandatory and it is our long term view to increase the number of datasets we publish.

B3. Should all of this information be mandated under the regulations?

The council's view would be that this should be an aspiration and should not be mandatory. It would take a considerable amount of time to get to a point where this data can be published in the formats necessary to meet 3 star criteria.

B4. Should the Open Government Licence be applied to Asset information? If so, how?

It is the council's view that there should be a consistent approach across the authority and that licensing should be used to allow re-use, where possible of council-owned data.

Additional comments

In relation to the proposed '**Councillor allowances and expenses – adding any other payments made to councillors from the public purse**' dataset, please can you clarify what is meant by 'other payments' over and above allowances and expenses.

Police Authorities as mentioned in Annex A of the existing code needs changing as these no longer exist.

Dataset/information	Current status	Issues/additional requirements/updates
Expenditure exceeding £500 (quarterly publication)	<i>This information is has been published since December 2010. Finance has made assurances that they are compliant with the code.</i>	<i>See below.</i>
Government procurement card transactions (P-Cards)(quarterly publication)	<i>P-Card transactions are currently incorporated into the above dataset.</i>	<i>Finance will ensure the minimum requirements are adhered to, however they may go further and publish ALL transactions whether they be through using a P-Card or otherwise. An additional column will be included in the dataset to show if the procurement was made using a P-Card or not.</i>
Procurement information – contracts, commissioned activity etc. above £5,000 (quarterly publication)	<i>All awarded contracts over £10,000 are published through YORtender. Pre-Qualification Questionnaires (PQQs) and Invitations To Tender (ITTs) are advertised if they are run through an open procedure.</i>	<p><i>Where a restricted procedure is used, the opportunity is currently only seen by invited suppliers however the resulting contract is published. Restricted opportunities will need to be advertised under the new code.</i></p> <p><i>Concerns have been raised by Procurement about the amount of extra work which will need to be invested to publish the extra information between £5,000 and £10,000.</i></p> <p><i>DCLG are aware of concerns in this area.</i></p>
Local authority land and buildings (annual publication)	<i>Not currently published, however this is currently being worked on and Asset Management have made assurances that this should be available by 1st April.</i>	<i>The service raised concerns about some elements of information required for land assets. This has been relayed to DCLG for their clarification.</i>
Grants to voluntary, community and social enterprise organisations (annual publication)	<i>Already publishing an annual list.</i>	<i>There are a couple of elements which are required by the Code which the council does not currently publish. Finance has provided assurances that this dataset will be compliant at the next publication.</i>

<p>Organisation chart for the top three tiers (annual publication)</p>	<p><i>Some information currently published as a dataset rather than a chart.</i></p>	<p><i>Need to include contact information – this would need to be checked with all staff prior to publication. DCLG has stated that it is up to individual organisations to decide what the ‘top 3’ tiers actually are. It has been decided that for Leeds City Council this will constitute; Chief Executive, Directors, and Chief Officers who report directly to a Director.</i></p> <p><i>Unclear whether this should be structured as a chart or be listed as a dataset. DCLG still unclear themselves.</i></p> <p><i>Also see comments for Senior Officer Salaries, below.</i></p>
<p>Trade union facility time (annual publication)</p>	<p><i>Not currently published however information on convenor time and costs can be easily published.</i></p>	<p><i>The Code asks for ‘estimate of spending on unions as a percentage of the total pay bill’. Clarification has been sought from DCLG on scope of this and who should be included in the calculation.</i></p>
<p>Parking revenues (annual publication)</p>	<p><i>Parking produce an annual report which ensures this section will be compliant. In addition, fines data will be published covering on-street, bus lanes and car park fines.</i></p>	<p><i>None.</i></p>
<p>Controlled parking spaces (annual publication)</p>	<p><i>Parking produce an annual report which ensures this section will be compliant.</i></p>	<p><i>None.</i></p>
<p>Senior officer salaries for those paid over £50,000pa (annual publication)</p>	<p><i>Currently publish some information though this will need to be worked up.</i></p>	<p><i>Ongoing discussions with Finance and HR to provide consistent information which ties up this requirement with the Organisational chart information above. Still lack of clarity from DCLG and specifics here. Some elements such as responsibilities may not be published by 1st April as it is unclear how this should be presented/what the requirements are for the dataset.</i></p>

		<i>Finance has stated that a table showing all staff whose remuneration exceeds £50,000 can be extracted from SAP. Some work needs to be finalised on job titles listed in SAP as these could be misleading to the public.</i>
The council constitution (annual publication)	<i>Already published.</i>	<i>None.</i>
The pay multiple for the organisation - the ratio between the highest paid salary and the median salary of the whole of the authority's workforce (annual publication)	<i>Already published.</i>	<i>None.</i>

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Report of Deputy Chief Executive

Report to Corporate Governance & Audit Committee

Date: 9th April 2014

Subject: Business continuity management arrangements for LCC's critical services.

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. Phase 1 of the Business Continuity Management (BCM) Programme is completed. This provides assurance that Leeds City Council *is* meeting its statutory duties required under the Civil Contingencies Act 2004 to have business continuity plans in place to be able to continue to deliver services assessed as being critical during an emergency or disruptive incident. Critical services are those that require recovering from disruption in less than 24 hours. This work was completed by the end of September 2013.

2. Phase 2 of the BCM Programme has been initiated. Currently being scoped, Phase 2 will develop and implement business continuity plans for what the Civil Contingencies Act 2004 describes as ordinary services i.e. functions that are important to the human welfare and security of the community and its environment but do *not* require recovery within 24 hours of a disruption occurring.

The Civil Contingencies Act 2004 requires that organisations delivering services on behalf of Leeds City Council can continue to deliver to the extent required in the event of an emergency. The assessment of commissioned service business continuity plans will commence as part of Phase 2.

Recommendations

3. The Committee to note that the level of assurance on the adequacy of business continuity management arrangements is good. This is demonstrated via the controls and compliance documented within this report.

4. The Committee to note this report for information and receive an annual update detailing progress and achievements in April 2015.

1 Purpose of this report

- 1.1 To provide assurance that the business continuity plans and arrangements in place for LCC's critical services are fit for purpose, up to date, embedded and being routinely complied with.
- 1.2 To provide assurance that LCC is compliant with the statutory duties detailed in the Civil Contingencies Act 2004.

2 Background information

- 2.1 The Civil Contingencies Act 2004 made it a statutory duty of all councils to have in place arrangements to be able to continue to deliver critical aspects of their day to day functions in the event of an emergency, if the impact on the community is to be kept to a minimum.
- 2.2 For LCC to maintain continued compliance with the statutory duty, a centrally managed Business Continuity Management (BCM) Programme is providing support to managers using good practice guidance aligned with the international standard ISO 22301.
- 2.3 Phase 1 of the BCM Programme was completed in 2013. Phase 1 was the identification and development of business continuity plans for LCC's most critical services i.e. services that require recovery within 24 hours of a disruption occurring. At the time of completion (September 2013) there were 67 services identified as most critical.
- 2.4 Scoping for Phase 2 of the BCM Programme has commenced. The scope of Phase 2 comprises of the functions that the Civil Contingencies Act 2004 describes as ordinary i.e. functions that are important to the human welfare and security of the community and its environment but do *not* require recovery within 24 hours of a disruption occurring.
- 2.5 The Act also requires an assessment on the resilience of organisations that the council relies upon to deliver many of its services. Confidence with the resilience of such services is essential particularly where they have been commissioned to provide services for vulnerable children and adults.
- 2.6 This report presents the current status of the BCM Programme and in doing so aims to provide assurance to the Corporate Governance & Audit Committee of the adequacy of the business continuity management arrangements currently in place, in development or planned.

3 Main issues

- 3.1 **Compliance with Civil Contingencies Act 2004.** The Act identifies local authorities as Category 1 responders. Category 1 responders are likely to be at the core response to most emergencies and as such are subject to the full range of civil protection duties in the Act.

The Act requires Category 1 responders to maintain plans to ensure that they can continue to perform their functions in the event of an emergency. This includes the critical aspects of their day to day functions as well as being able to continue to perform their ordinary functions that are important to the human welfare and security of the community and its environment.

Phase 1 of the BCM Programme identified and developed business continuity plans for the most critical services. Phase 2 of the BCM Programme will identify and develop business continuity plans for the ordinary services. Phase 2 will also identify, prioritise and commence assessment of commissioned service business continuity plans.

Completion of Phase 1 provides compliance with the Act in relation to 'critical aspects of day to day functions', whilst Phase 2 will provide an increasing level of resilience for 'ordinary functions' and (prioritised) commissioned services as roll-out progresses during 2014.

Alignment with ISO 22301. The BCM Toolkit comprises of templates and guidance published on InSite accessible to managers to aid development of business continuity plans and arrangements. The templates and guidance were originally developed using good practice guidance based on BS 25999, this standard has now been superseded by ISO 22301. The main change between BS25999 and ISO22301 is a greater emphasis on leadership and management commitment.

Templates and guidance have been revised in alignment with ISO 22301 and republished on InSite.

3.2 **BCM Programme Phase 1 progress.** Phase 1 is now complete. Business Continuity Plans for all services identified as being most critical i.e. services that require recovery within 24 hours of a disruption occurring, were completed by the end of September 2013. At the time there were 67 services identified as most critical. This has since risen to 72.

3.3 **BCM Programme Phase 2 progress.** Phase 2 is currently being scoped and focusses on services that the Civil Contingencies Act 2004 describes as ordinary i.e. functions that are important to the human welfare and security of the community and its environment but do *not* require recovery within 24 hours of a disruption occurring.

Each Directorate Resilience Group will have a key role in identifying the services which are to fall within the scope of Phase 2 with Directorate Leadership Teams providing final validation prior to work commencing.

The target date for completion of Phase 2 scoping is April 2014.

Commissioned service resilience. The Civil Contingencies Act 2004 requires Category 1 responders to 'ensure that those organisations delivering services on their behalf or capabilities which underpin service provision can deliver to the extent required in the event of an emergency'.

Business Continuity Plans *can* be requested during procurement exercises; however there have been some inconsistencies with the assessment of such plans. A process and template have been developed in order to bring consistency to the assessment process using the good practice guidance contained within ISO 22301.

The template has been piloted on 13 services commissioned by Adult Social Care for providers of accommodation based services for people with a learning disability. The completed assessment template is returned to the provider and is used to inform further development of the business continuity plan.

Phase 2 will include further assessment of commissioned service business continuity plans in Adult Social Care as well as extending the assessments to Children's Services and Public Health. Due to the volume of commissioned services, completion of the assessments will need to be prioritised to those organisations providing essential services for vulnerable adults and children.

An enhanced level of service for commissioned services will be provided during the lead-up to the Tour De France Grand Départ. Briefings to be delivered by the Emergency Planning Unit will provide the opportunity for commissioned services to consider the risk and potential impact of the Grand Départ and how they can plan to maintain services during and beyond the event.

Officers from the Emergency Planning Unit, Adult Social Care and Children's Services have recently attended Business Continuity Management Systems (BCMS) Lead Auditor training provided by the British Standards Institute. The course exam was passed with attendees achieving the BCMS Lead Auditor qualification. The training and qualification provides officers with the knowledge and competences required to complete assessments of business continuity plans *and* audits of provider organisations if required.

- 3.4 **Schools.** Work to adapt a School Emergency Plan Template and Guidance Document originally developed by Nottinghamshire County Council in 2009 has been completed with draft versions of both documents ready for consultation and approval.

The template and guidance have required reworking to include business continuity management in order to cover off the requirements for business continuity as per the Schools Financial Value Standards (SFVS) and include reference to the recently approved School Crisis Procedure. It is proposed that once the consultation and approval process is complete, the template and guidance will be rolled-out via a series of workshops to the Leeds Families of Schools and Bursar Network.

- 3.5 **Reviewing & maintaining plans.** The Civil Contingencies Act 2004 requires Category 1 responders to not only put plans in place, but ensure that they are reviewed and kept up to date. The Act says that plans should be reviewed when; staff turnover means that contact details will need updating, where new functions or new services are introduced, where restructuring has taken place and where suppliers and contractors change.

The BCM Programme ensures that plans are reviewed and maintained via an annual management review process. The process is centrally triggered and monitored to ensure that as a *minimum*, all plans are subject to an annual review.

All Business Continuity Plans are being maintained and the annual management review process is currently up to date as per schedule.

3.6 Exercising and testing. It is the responsibility of the directorate or service to exercise and test *their* plans.

Exercising and testing can take various forms, from a test of the key contact list to a desk-top walk-through or a live exercise.

Annually, there are a number of centrally co-ordinated exercises, often in partnership with other agencies. Such exercises provide the opportunity for council services playing a role in the exercise to test their local plans.

In February, an exercise took place to test arrangements for an emergency response during the Tour De France Grand Départ. This full day exercise involved managers from across all directorates and representatives from partner organisations.

3.7 Public awareness/warning & informing. The Civil Contingencies Act 2004 includes public awareness and warning and informing as two distinct legal duties for Category 1 responders – advising the public of risks before an emergency and keeping it informed in the event of an emergency.

The Emergency Planning Unit advises the public *before* an emergency via the issue of emergency specific information i.e. in relation to flooding and also through a programme of engagement days aiming to help build community resilience.

Engagement days include attendance at One Stop Centres and community events such as school fairs, galas and the annual Emergency Show at the West Yorkshire Fire and Rescue Headquarters. Attendance by Emergency Planning Officers provides the opportunity for the public to ask questions and receive information such as the Emergency Planning Information Brochure and ICE (in case of emergency) Cards.

During emergencies, the Emergency Planning Unit feed information through to the Press & Communications Team who in turn provides information to the public via the local media.

The Emergency Planning Officers also use Twitter to issue messages relating to events and incidents in the Leeds area.

A mailing list of managers and officers responsible for LCC's critical services is maintained. Emails are issued to warn of events and incidents which might impact on service delivery. The list is also used to assimilate information to inform a post incident review on the impact an event or incident might have had on critical services.

- 3.8 **Provision of advice & assistance to business & voluntary organisations.** The Civil Contingencies Act 2004 requires local authorities to provide advice and assistance to those undertaking commercial activities and voluntary organisations in relation to business continuity management.

Provision of advice and assistance is provided via the LCC Business Continuity Network. The BC Network has 600+ members from businesses and voluntary organisations in the Leeds area. The BC Network hosts a twice yearly network event in the Lord Mayors Banquet Suite, Civic Hall. Attended by around 150 members, the event provides the opportunity to hear presentations from key note speakers and business continuity/emergency planning practitioners as well as offering the opportunity to network with other members.

The next BC Network event will be a Tour De France Grand Départ specific event to be scheduled in April. By this time, detailed information will be available regarding road closures and the wider impact of the Grand Départ on Leeds and the surrounding area. The event will provide information for businesses and voluntary organisations to help them consider the risk and potential impact of the Grand Départ and help inform planning to maintain their business during the event.

All BC Network members are registered with Leeds Alert. Leeds Alert is a system used by the Emergency Planning Unit and West Yorkshire Police to provide warning and informing messages (via SMS text or email) and notification of BC Network Events to businesses and organisations in the Leeds area.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 External. The BCM Toolkit (original templates and guidance) was shared with the Emergency Planning College and Core Cities for peer review purposes.

Internal. The BCM Toolkit (original templates and guidance) was reviewed and approved by the Corporate Risk Management Group. More recently the Directorate Resilience Groups have provided feedback regarding the revised ISO 22301 template versions.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 All templates and guidance published on the LCC InSite Website have been assessed by the Equality & Diversity Team to check that due regard has been given and that Plain English requirements have been fulfilled.

4.3 Council policies and City Priorities

- 4.3.1 The LCC Business Continuity Policy sets out the requirements placed upon all directorates and services.
- 4.3.2 Business continuity is linked to the outcomes and priorities of the City Priority Plan and Best Council Plan.

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 The Civil Contingencies Act 2004 requires Category 1 responders (local authorities) to maintain plans to ensure that they can continue to perform their functions in the event of an emergency, so far as is reasonably practicable.

4.6 Risk Management

4.6.1 The Corporate Risk LCC2 Council Resilience is one of six 'standing risks' on the Corporate Risk Register "unlikely to ever go away" for which CLT requires quarterly assurances on how the risk is being mitigated and managed.

5 Conclusions

5.1 The information contained within this annual update report on business continuity management arrangements for LCC's critical services demonstrates that Leeds City Council has met or is working towards meeting its statutory duties required under the Civil Contingencies Act 2004. This is being achieved by having in place plans and processes for:

- the continuance and/or recovery of LCC's critical services in the event of an emergency or disruptive incident;
- the identification and development of plans for LCC's 'ordinary' services that are important to the human welfare and security of the community and its environment;
- the assessment of plans for commissioned services delivering key services for vulnerable children and adults;
- the development and roll-out of a School Emergency Plan Template and Guidance Document;
- the review and maintenance of plans;
- exercising and testing of plans;
- providing public awareness/warning and informing of events and disruptions;
- the provision of advice and assistance to business and voluntary organisations.

6 Recommendations

The Committee to note this report for information and receive an annual update detailing progress and achievements in April 2015.

7 Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Report of Chief Officer, Audit and Investment

Report to Corporate Governance and Audit Committee

Date: 09 April 2014

Subject: Update of the Whistleblowing Policy and Raising Concerns 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 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. To ensure that the Council can be responsive to any suspected instances of wrongdoing in its work, a Whistleblowing Policy and a Raising Concerns Policy exist to set out the means by which serious concerns can be brought to the attention of Internal Audit. These two policies exist separately to enable the former to set out the correct channels through which serious issues can be appropriately escalated from within the organisation, while the latter provides guidance and direction to the wider public.
2. Changes to Public Interest Disclosure legislation have prompted the need to review and update the Council's existing Whistleblowing Policy to ensure it remains fit for purpose and offers clear and relevant guidance on how and when concerns should be raised around any aspects of the Council's work.
3. Effective whistleblowing procedures are a key component of good governance, establishing a culture of openness, probity and accountability across all aspects of the Council's work. To ensure consistency in approach across all whistleblowing channels, the Raising Concerns Policy has been reviewed and updated alongside the Whistleblowing Policy.
4. The existing Whistleblowing Policy is available on the intranet and encourages Council employees and Members, who have serious concerns about any aspect of the Council's work, to come forward and voice those concerns without fear of reprisal.

5. The Raising Concerns Policy is published on the Council website and offers guidance to members of the public that may have concerns around aspects of the Council's work.
6. The promotion and accessibility of these policies helps the Council to be responsive to emerging risks that are identified.
7. Following advice and guidance provided by Legal Services, the policies have been reviewed and updated to reflect recent changes to Public Interest Disclosure legislation which particularly impact upon the Whistleblowing Policy. The Enterprise and Regulatory Reform Act 2013 has resulted in amendments to the whistleblowing provisions contained within the Employment Rights Act 1996. As such, Public Interest Disclosure legislation now restricts the definition of a protected disclosure to disclosures which, in the reasonable belief of the worker, are made in the public interest. The legislation also provides specific protection if an employee is subjected to detrimental treatment by colleagues as a result of making a protected disclosure. The policies have been updated to reflect these changes and to provide clear, consistent guidance and direction in accordance with best practice.
8. The revised Whistleblowing Policy and Raising Concerns Policy are attached with this report at Appendix A and B respectively.

Recommendations

9. Members are requested to note the contents of this report, and provide comment on the proposed Whistleblowing Policy and Raising Concerns Policy. Having taken into account Corporate Governance and Audit Committee and Executive Member comments, and following consultation with the Corporate Joint Consultative Committee, the Chief Officer (Audit and Investment) will take a delegated decision to approve the revised policies prior to publication.

1 Purpose of this report

- 1.1 To consult with Corporate Governance and Audit Committee upon a review that is taking place of the Council's Whistleblowing Policy and Raising Concerns Policy.
- 1.2 To inform Corporate Governance and Audit Committee of the revisions in accordance with the changes to Public Interest Disclosure legislation, and to provide an opportunity to comment on the current proposals.

2 Background information

- 2.1 The Public Interest Disclosure Act 1998 is intended to promote internal and regulatory disclosures and encourage workplace accountability and self-regulation. The Act seeks to safeguard the public interest by providing protection for individuals who fear workplace reprisal when raising a genuine concern.
- 2.2 Effective whistleblowing procedures are a key part of good governance, establishing a culture of openness, probity and accountability across all aspects of the Council's work. Ensuring that employees, workers, Members and the wider public feel empowered to raise concerns through the correct channels allows the Council to address any risks as early as possible.
- 2.3 The Council's Whistleblowing and Raising Concerns Policies are published on the intranet and internet respectively, and aim to provide reassurance around the probity of the procedures in place, offering clear guidance on how and when concerns may be brought to the attention of Internal Audit.
- 2.4 The Terms of Reference of the Corporate Governance and Audit Committee establish the authority of the committee to:
 - Review the adequacy of policies and practices to ensure compliance with statutory and other guidance
 - Review the adequacy of the Council's Corporate Governance arrangements (including matters such as internal control and risk management)

3 Main issues

- 3.1 To ensure that the Council can be responsive to any suspected instances of wrongdoing in its work, a Whistleblowing Policy and a Raising Concerns Policy exist to set out the means by which serious concerns can be brought to the attention of Internal Audit. These two policies exist separately to enable the former to set out the correct channels through which serious issues can be appropriately escalated from within the organisation, while the latter provides guidance and direction to the wider public.
- 3.2 Internal Audit has reviewed the Whistleblowing Policy with assistance from Legal Services and updates have been proposed in line with recent changes to Public Interest Disclosure legislation. The Enterprise and Regulatory Reform Act 2013 has resulted in amendments to the whistleblowing provisions contained within the

Employment Rights Act 1996. Taking these amendments into account, alongside advice and guidance provided by Legal Service, the Whistleblowing Policy has been revised and is attached with this report at Appendix A.

- 3.3 The revised version of the policy now clearly includes workers, alongside employees and Members, as those that are able to make protected disclosures under the scope of this policy. Workers can be defined as those who work under a contract to personally provide services, and are not in business on their own account, for example some casual staff may be workers but are not employees. This follows an update to Public Interest Disclosure legislation.
- 3.4 Concerns to be reported under this policy have now been clearly defined as “*something which involves an issue in the public interest and which you have reasonable belief to be true.*” The addition of this explanation removes any ambiguity surrounding the basis of a potentially malicious or vexatious allegation, and serves to underpin an open and accountable culture whilst safeguarding the public interest at the heart of the policy.
- 3.5 The revised policy provides clearer direction on what constitutes a concern. This seeks to guide employees and workers when distinguishing whether their particular concerns will fall under the scope of the Whistleblowing Policy, offering more comprehensive direction under the following headings:
- A criminal offence has been committed, is being committed or is likely to be committed;
 - A person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
 - Something is against the Council’s Contract Procedure Rules, Financial Procedure Rules or other policies;
 - Something falls below established standards or practice;
 - Something amounts to improper conduct, including serious misuse or abuse of authority;
 - A miscarriage of justice has occurred, is occurring or is likely to occur;
 - The health and safety of any individual had been, is being or is likely to be endangered;
 - The environment has been, is being or is likely to be damaged;
 - Gross waste or mismanagement of funds has occurred, is occurring or is likely to occur; or
 - The information tending to show any of the above is being or is likely to be concealed.
- 3.6 The section on Protection from Reprisals now reads; “*The Council will not tolerate harassment or victimisation and will take action to protect you when you raise a concern which you have reasonable belief to be true and to be in the public interest. This will include disciplinary action against those that subject an individual to detriment as a result of the whistleblowing.*” The incorporation of the public interest clearly restricts the definition of protected disclosures to those made for the wider public benefit rather than merely personal gain. The reference to disciplinary action against those that may be involved in subjecting a

whistleblower to detriment offers clearer safeguards against potentially obstructive behaviour, thus strengthening the overall ethos of the policy.

- 3.7 The reinforcement of safeguards against detrimental or obstructive behaviour follows advice contained within the Whistleblowing Commission Report on the effectiveness of whistleblowing arrangements in the UK, published in November 2013 by the whistleblowing charity; Public Concern at Work. This report was commissioned to review all aspects of whistleblowing and is representative of a best practice approach, incorporating the views and considerations of a range of industry and academic experts.
- 3.8 The reference alluding to a requirement for a disclosure to be made in “good faith” has now been removed following specific advice from Legal Services. This seeks to clarify that no disciplinary action will be taken against whistleblowers that raise genuine concerns in the public interest, irrespective of any additional underlying motives.
- 3.9 The previous reference to the potential for “appropriate action” against those making malicious or vexatious untrue allegations has been replaced with a clear reference to “disciplinary action.” This amendment follows advice from the Legal Services as a means of removing ambiguity around the potential repercussions of making untrue allegations. This is seen as a way of discouraging the raising of concerns that do not fit the overarching scope and aim of the policy to protect the public interest.
- 3.10 Minor wording alterations have been made throughout the document aimed at providing stronger guidance and direction to those that have legitimate concerns under the policy. This ensures that the final version is clear and relevant in its purpose to encourage a culture of openness, probity and accountability across all aspects of the Council’s work.
- 3.11 Whilst the changes to Public Interest Disclosure legislation do not impact directly upon the Raising Concerns Policy (which offers guidance to members of the public that may have concerns that something is seriously wrong with the Council), the opportunity has also been taken to review this policy alongside the Whistleblowing Policy. This has resulted in minor changes to wording to ensure consistency and relevance, including the removal of any requirement for concerns to be raised in good faith. However there have been no material alterations to the overall coverage or direction of the policy. The revised Raising Concerns Policy is attached at Appendix B.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The updates to the policies do not raise any issues requiring consultation or engagement with the public, Ward Members or Councillors. Consultation with the Corporate Joint Consultative Committee on the Whistleblowing Policy will take place prior to approval and publication.

4.1.2 There are plans to provide training across directorates, including training on the recognition of fraud risks and the publication of the current policy coverage in order to promote whistleblowing arrangements.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An Equality, Diversity, Cohesion and Integration Screening has been undertaken and is attached with this report at Appendix C.

4.3 Council policies and City Priorities

4.3.1 The Council takes a zero tolerance approach to fraud and corruption and the Whistleblowing and Raising Concerns Policies are a key driver of this culture.

4.4 Resources and value for money

4.4.1 There are no implications upon resources or value for money.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Updates to the policies take account of advice provided by Legal Services. The report does not require a key decision and is therefore not subject to call in.

4.6 Risk Management

4.6.1 There are no risk management implications

5 Conclusions

5.1 Revisions have been made to the Council's Whistleblowing Policy to ensure that the policy is compliant with recent updates to Public Interest Disclosure legislation. The review of the overall content of both the Whistleblowing Policy and Raising Concerns Policy has been undertaken to ensure that the policies are up to date and fit for purpose in accordance with best practice, offering clear, consistent and relevant guidance upon how and when concerns should be raised around any aspects of the Council's work.

5.2 Once approved, the Whistleblowing and Raising Concerns policies will be published on the intranet and internet respectively, and effective communication is to be strengthened through the provision of training across directorates. Assurances that the policies are routinely complied with will continue to be gained

through regular reporting of the policy outcomes delivered through the quarterly update reports provided to Corporate Governance and Audit Committee. This, in turn, will drive periodic monitoring and review of the policy content to ensure that they continue to underpin the principles of good governance throughout the organisation.

6 Recommendations

- 6.1 Members are requested to note the contents of this report, and provide comment on the proposed Whistleblowing Policy and Raising Concerns Policy. Having taken into account Corporate Governance and Audit Committee and Executive Member comments, and following consultation with the Corporate Joint Consultative Committee, the Chief Officer (Audit and Investment) will take a delegated decision to approve the revised policies prior to publication.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

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Introduction

As an employee, worker or a Member of the Council, you are often the first to realise that there could be something seriously wrong with the way we are operating. This policy sets out the principles that enable you to raise concerns about a danger, risk, malpractice or wrongdoing that affects others, without the fear of adverse consequences.

The Council is committed to the highest standards of openness, probity and accountability. In line with that commitment, we encourage Council employees, workers and Members, who have legitimate concerns about any aspect of the Council's work, to come forward and voice those concerns through accessible channels rather than overlooking the issues or discussing them externally. Making your disclosure under this policy will enable the Council to address any risks as early as possible.

It is recognised that the option to maintain your confidentiality is vital to encouraging you to make your disclosure, and the Council will always seek to protect the anonymity of those that come forward. This policy provides a means for you to raise a concern under the Public Interest Disclosure Act 1998, which provides you with a certain level of legal protection when you raise a legitimate concern in the public interest.

As an employee of a contractor of the Council or a partner organisation, it is recognised that in some cases, you may have concerns which you may want to bring to our attention. The Council is committed to encouraging all individuals, including non Council employees to raise serious concerns with the Council. Whilst we would seek always to protect the anonymity of individuals raising concerns in good faith, the Whistleblowing Policy does not protect employees of external organisations in the same way as Council employees and workers.

Aims and Scope of the Policy

This policy aims to:

- provide avenues for you to raise concerns and receive feedback on any action taken
- reassure you that you will be protected from reprisals or victimisation for whistleblowing in the public interest; and
- allow you to take the matter further if you are dissatisfied with the Council's response.

There are existing procedures in place to enable you to lodge a grievance relating to your own employment with the Council. This whistleblowing policy is intended to cover concerns that fall outside the scope of other procedures and which involve an issue in the public interest; although the Council reserves the right to determine which procedure is appropriate.

What is a 'concern'?

Concerns to be reported under this policy may relate to something which involves an issue in the public interest and which you have reasonable belief to be true, for example where:

- A criminal offence has been committed, is being committed or is likely to be committed;
- A person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
- Something is against the Council's Contract Procedure Rules, Financial Procedure Rules or other policies;
- Something falls below established standards or practice;
- Something amounts to improper conduct, including serious misuse or abuse of authority;
- A miscarriage of justice has occurred, is occurring or is likely to occur;
- The health and safety of any individual had been, is being or is likely to be endangered;
- The environment has been, is being or is likely to be damaged;
- Gross waste or mismanagement of funds has occurred, is occurring or is likely to occur; or
- The information tending to show any of the above is being or is likely to be concealed.

If your concern is regarding;

- the safeguarding of children and young people, please call 0113 222 4403 during office hours and the Social Care Emergency Duty team on 0113 240 9536 out of normal office hours.
- the safeguarding of vulnerable adults, please call 0113 222 4401 (Minicom: 0113 222 4410) during office hours and 0113 240 9536 at all other times.
- suspected [Benefits Fraud](#) it should be reported to the specialist Benefits Fraud Investigations Team by email to lbs.control@leeds.gov.uk, calling the free phone number 0800 915 6661 or writing to Investigation unit, Selectapost 15, Leeds, LS2 8BA.

Safeguards

Protection from reprisal

The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. The Council will not tolerate harassment or victimisation and will take action to protect you when you raise a concern which you have reasonable belief to be true and to be in the public interest. This will include disciplinary action against those that subject an individual to detriment as a result of the whistleblowing.

This does not mean that if you are already the subject of procedures such as disciplinary, improving performance, grievance or managing attendance, that those procedures will be halted as a result of your whistleblowing.

If at any time, either during or after the investigation, you feel that you have suffered any detriment as a result of your whistleblowing you should contact Internal Audit.

Confidentiality

The Council treats the details of all whistleblowers in confidence and will do its best not to divulge your identity and ensure that your name is not revealed without your consent. However, it must be appreciated that the investigation process may reveal the source of the information without us revealing your identity directly, and in some circumstances a statement by you may be required as part of the evidence.

Anonymous Allegations

Allegations can be made anonymously. However, this policy encourages you to provide your name and contact details when making your allegation, as concerns expressed anonymously are often much more difficult to investigate. For example, we may need to contact you to obtain further information or verify the details you have already given us.

Anonymous allegations will be considered wherever possible at the discretion of the Council. The factors to be taken into account when determining whether to proceed with an investigation in such a cases would include:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from other, attributable sources

Untrue Allegations

If you make an allegation in the public interest and which you had a reason to believe was true, but the allegation is not confirmed by the investigation, no action will be taken against you. If, however, you make a malicious or vexatious allegation which you could not have reasonably believed was true, disciplinary action may be taken against you.

How to Raise a Concern (Dos and Don'ts)

DO NOT ignore the concern. It is important that you feel comfortable in raising legitimate concerns in the public interest, as this provides the Council with an opportunity to address the associated issues as early as possible.

DO report your suspicions in line with this policy to your line management, the relevant service management, or to Internal Audit using the contact details provided below. The decision on who to report your suspicions to will depend on the seriousness and sensitivity of the issues concerned, and who is thought to be involved in the malpractice. For example, if you believe that management is involved then Internal Audit can give advice and guidance on how the matter can be pursued.

DO make an immediate note of your concerns and deal with the matter promptly.

The earlier you express the concern, the easier it is to take action. Over time these details can be forgotten, or remembered incorrectly, which can make a concern more difficult to investigate and so it would help us if you make a note of your concerns at the time and let us know about them as soon as possible.

Although you are not expected to prove an allegation, you will need to demonstrate that there are sufficient grounds for your concern. It would be useful to provide relevant information including, where possible, but not limited to;

- the background and history to the case;
- the reason why you are particularly concerned;
- any specific details available including names, dates, times and places;
- details of any particular conversations that support the concerns;
- details any personal interest that you may have in the matter; and
- how you think that things may be put right, if possible.

DO NOT be afraid of raising your concerns, and if a manager, DO be responsive to staff concerns.

We want to encourage people to voice any reasonably held suspicions to help us develop a culture of openness, honesty and accountability. All concerns should be treated sensitively and seriously, and be subject to the necessary investigation and follow up communication where possible. If you are a manager receiving a concern you also need to make sure you send details of all referrals to Internal Audit for monitoring and action.

DO NOT approach or accuse any individuals directly or tell anyone about your suspicions other than those with the proper authority.

If a concern is discussed with someone directly involved then it creates an opportunity for evidence to be tampered with or removed.

Concerns should not be discussed with others who are not involved in an appropriately structured investigation. Doing so may leave you open to accusations of making slanderous or libellous comments should your concerns be unfounded, as these could damage the reputation of individuals and the Council even if there is no evidence of any wrongdoing.

DO NOT try to investigate the matter yourself.

There are special rules surrounding the gathering of evidence. Any attempt to gather evidence by people who are unfamiliar with these rules may adversely affect the outcome of the investigation as evidence has to be collected in accordance with current legislation. This is of particular importance in regard to surveillance. If you are at all unsure about the gathering of evidence, you should contact Internal Audit for advice.

All referrals made will be treated in the strictest of confidence and you may invite your trade union or professional association to raise a matter on your behalf.

Concerns can be raised by the following methods:

Whistleblowing hotline (0113) 247 4645 (dedicated hotline answered by a member of the Internal Audit team or an answerphone).

E-mail concerns@leeds.gov.uk

In writing Internal Audit, 3rd Floor West, Civic Hall, Leeds, LS1 1JF

How the Council Will Respond

The action taken by the Council will depend on the nature of the concern. The matters raised may:

- be investigated internally, (this is the most likely option)
- be referred to the Police;
- be referred to the external auditor;
- form the subject of an independent inquiry; or
- any combination of the above

In order to protect individuals and the Council, initial enquiries will be made to decide whether to investigate and, if so, in what form. Concerns or allegations that fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.

Some concerns may be resolved by agreed action without the need for investigation.

Within ten working days of a concern being received, where practicable, the Council will write to you:

- acknowledging that the concern has been received;
- indicating how it proposes to deal with the matter;
- telling you whether any initial enquiries have been made; and
- telling you whether further investigations will take place and, if not, why not.

The amount of contact between yourself and those considering the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you.

When any meeting is arranged, you have the right, if you wish, to be accompanied by a trade union or professional association representative or a friend who is not involved in the area of work to which the concern relates.

The Council will take steps to minimise any difficulties that you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Council will advise you about the procedure.

The Council acknowledges the need to provide you with assurance that the matter has been properly addressed. Thus, subject to legal constraints, you will receive appropriate information about the extent and outcomes of any investigations.

How the Matter can be Taken Further

This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes you will be satisfied. If you are not, and if you feel it is right to take the matter further, the following (overleaf) are possible contact points.

Your local Council Member (if you live in the area of the Council)	A list of Council Members is available from Members Services (0113) 2243206 or on <u>the internet at</u> <u>http://democracy.leeds.gov.uk/mgMemberIndex.aspx?bcr=1&lccnavid=100004 200033 358</u> .
Customer Complaints and Compliments	Complete the <u>on-line form</u> on the internet, call 0113 222 4405, (minicom users 0113 222 4410) or post to: Freepost RLZR-ELTX-RUEH Leeds City Council PO Box 657, LS1 9BS
The external auditor-KPMG Leeds	0113 231 3000
Public Concern at Work (independent charity that provides free advice for employees who wish to express concerns about fraud or other serious malpractice)	020 740 46609 <u>www.whistle@pcaw.org.uk</u>
Relevant professional bodies, regulatory organisations or your union	
Your solicitor	
The Police	

If you do take the matter outside the Council, you will need to ensure that you do not disclose confidential information or that disclosure would be privileged. If you have any queries as to what constitutes confidential information, please check with Internal Audit about this.

Introduction

As a member of the public you may have concerns that there is something wrong the way that the Council is operating. This policy is designed to encourage you to report your concerns in a way that enables the Council to address any associated risks as early as possible.

The Council is committed to the highest standards of openness, probity and accountability. In line with that commitment, we encourage members of the public, who have serious concerns about any aspect of the Council's work to come forward and raise those concerns with us rather than overlooking a problem or discussing it externally.

Aims of the Policy

This policy aims to:

- Provide avenues for you to raise concerns and receive feedback on any action taken
- Allow you to take the matter further if you are dissatisfied with the Council's response; and
- Reassure you that your concerns will be taken seriously and investigated appropriately

What is a 'concern'?

Concerns to be reported under this policy may relate to:

- Failure to comply with a legal or regulatory obligation
- Serious misuse or abuse of authority
- Gross waste or mismanagement of funds
- Damage to the environment
- Criminal offences; including
- Fraud or financial irregularity
- Corruption, bribery or blackmail

If your concern is regarding;

- the safeguarding of children and young people, please call 0113 222 4403 during office hours and the Social Care Emergency Duty team on 0113 240 9536 out of normal office hours.
- the safeguarding of vulnerable adults, please call 0113 222 4401 (Minicom: 0113 222 4410) during office hours and 0113 240 9536 at all other times.
- suspected Benefits Fraud it should be reported to the specialist Benefits Fraud Investigations Team by email to lbs.control@leeds.gov.uk, calling the free phone number 0800 915 6661 or writing to Investigation unit, Selectapost 15, Leeds, LS2 8BA.

Safeguards and confidentiality

The Council recognises that the decision to report a concern can be a difficult one to make. The Council treats the details of all whistleblowers in confidence and will do its best not to divulge your identity and ensure that your name is not revealed without your consent. However, it must be appreciated that the investigation process may reveal the source of the information without us revealing your identity directly, and in some circumstances a statement by you may be required as part of the evidence.

Anonymous allegations

Allegations can be made anonymously. However, this policy encourages you to provide your name and contact details when making your allegation, as concerns expressed anonymously are often much more difficult to investigate. For example, we may need to contact you to obtain further information or verify the details you have already given us.

Anonymous allegations will be considered wherever possible at the discretion of the Council. The factors to be taken into account when determining whether to proceed with an investigation in such a cases would include:

- The seriousness of the issues raised
- The credibility of the concern; and
- The likelihood of confirming the allegation from other, attributable sources.

How to raise a concern (Dos and Don'ts)

DO NOT ignore the concern. It is important that you make us aware of your legitimate concerns in the public interest, as this provides the Council with an opportunity to address the associated issues as early as possible.

DO report your suspicions appropriately in line with this policy to the relevant service management or Internal Audit using the contact details provided below. The decision on who to report your suspicions to will depend on the seriousness and sensitivity of the issues concerned, and who is thought to be involved in the malpractice. For example, if you believe that management is involved then Internal Audit can give advice and guidance on how the matter can be pursued.

DO make an immediate note of your concerns and deal with the matter promptly.

The earlier you express the concern, the easier it is to take the necessary remedial action. Over time these details can be forgotten, or remembered incorrectly, which can make a concern more difficult to investigate and so it would help us if you make a note of them at the time and let us know about your concern as soon as possible.

Although you are not expected to prove an allegation, you will need to demonstrate that there are sufficient grounds for your concern in order to assist us in attempting to investigate it. It would be useful to provide relative information including, where possible, but not limited to;

- the background and history to the case
- the reason why you are particularly concerned
- any specific details available including names, dates, times and places
- details of any particular conversations that support the concerns
- details any personal interest that you may have in the matter; and
- how you think that things may be put right, if possible.

DO NOT be afraid of raising your concerns.

We want to encourage people to voice any reasonably held suspicions to help us develop a culture of openness, honesty and accountability. All concerns should be treated sensitively and seriously, and be subject to the necessary investigation and follow up communication where practicable.

DO NOT approach or accuse any individuals directly or tell anyone about your suspicions other than those with the proper authority.

If a concern is discussed with someone directly involved then it creates an opportunity for evidence to be tampered with or removed.

Concerns should not be discussed with others who are not involved in an appropriately structured investigation. Restricting any discussions around your concerns to those with the proper authority will ensure that you cannot be accused of making slanderous or libellous comments should your concerns be unfounded, as these could damage the reputation of individuals and the Council even if there is no evidence of any wrongdoing.

DO NOT try to investigate the matter yourself.

There are special rules surrounding the gathering of evidence. Any attempt to gather evidence by people who are unfamiliar with these rules may adversely affect the outcome of the investigation as evidence has to be collected in accordance with current legislation. This is of particular importance in regard to surveillance. If you are at all unsure about the gathering of evidence, you should contact Internal Audit for advice.

Concerns can be raised by the following methods:

Whistleblowing hotline	(0113) 247 4645 (dedicated hotline answered by a member of the Internal Audit team or an answerphone).
E-mail	concerns@leeds.gov.uk
Online	complete the 'contact us' form on the Reporting Fraud and Corruption web page
In writing	Internal Audit, 3 rd Floor West, Civic Hall, Leeds, LS1 1JF

How the Council will respond

The action taken by the Council will depend on the nature of the concern. The matters raised may:

- Be investigated internally (this is the most likely option)
- Be referred to the police
- Be referred to the external auditor
- Form the subject of an independent inquiry; or
- Any combination of the above

In order to protect individuals and the Council, initial enquiries will be made to decide whether to investigate and, if so, in what form. Concerns or allegations that fall within the scope of specific procedures (for example, child protection or discrimination issues) will be referred for consideration under those procedures.

Some concerns may be resolved by agreed action without the need for investigation.

There may be some occasions where the Council recommends that no further action should be taken. These will usually be on the following grounds:

- The Council is not satisfied that there are grounds for reasonable suspicion
- The matter is already the subject of legal proceedings, or has already been referred to the police, or other appropriate authority
- The matter is (or already has been) the subject of the relevant proceedings under one of the other Council procedures.

Within ten working days of a concern being raised, where practicable, the Council will write to you:

- Acknowledging that the concern has been received
- Indicating how it proposes to deal with the matter
- Telling you whether any initial enquiries have been made
- Telling you whether further investigations will take place and, if not, why not.

The Council acknowledges the need to provide you with assurance that the matter has been properly addressed. Thus, subject to legal constraints, you will receive appropriate information about the extent and outcomes of any investigations.

How the matter can be taken further

This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes that you are satisfied. If you are not, and if you feel it is right to take the matter further, the following are possible contact points:

Your local Council Member (if you live in the area of the Council)	A list of Council Members is available from Members Services (0113) 2243206 or on the internet at leeds.gov.uk
Customer Complaints and Compliments	Complete the on-line form on the internet, call 0113 222 4405, (minicom users 0113 222 4410) or post to: Freepost RLZR-ELTX-RUEH Leeds City Council PO Box 657, LS1 9BS
The external auditor - KPMG Leeds	0113 231 3000
A relevant professional body or regulatory organisation	
Your solicitor	
The Police	

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Report author: P Garnett

Tel: 51632

Report of The City Solicitor

Report to Corporate Governance and Audit Committee

Date: 9th April 2014

Subject: Corporate Governance and Audit Committee Annual 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 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. The Corporate Governance and Audit Committee Annual report (attached at Appendix 1) has been produced to provide an overview to Members of the work the Committee has completed over the municipal year 2013/14.

Recommendations

2. The Corporate Governance and Audit Committee is recommended to approve the contents of the annual report at Appendix 1 and consider whether to refer the report to full Council for consideration.

1 Purpose of this report

- 1.1 The Corporate Governance and Audit Committee Annual Report provides and overview of the work completed by the Committee over the 2013/14 municipal year.

2 Background information

- 2.1 Committees appointed by full Council often produce an Annual Report summarising the committees work. This provides an opportunity for the committee to communicate, to all Members, the work of the committee and, in this case, the governance issues which have been considered during the year.

3 Main issues

- 3.1 Members are requested to consider the report in light of the work completed by the Committee during the municipal year 2013/14.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 No consultation or engagement has been undertaken in preparing this report. However by publicising the work of the Committee it is hoped that Members and the public will become more aware of the work of the Committee.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no direct implications for equality and diversity or cohesion and integration.

4.3 Council policies and City Priorities

- 4.3.1 Being open honest and trusted is one of the core values which underpin the Council's Best Council Plan. The work of the Committee directly contributes to this and provides assurance that the foundations of governance are in place to support the delivery of the best outcomes for citizens.

4.4 Resources and value for money

- 4.4.1 The report highlights the work the Committee has done in promoting value for money.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no legal implications.

4.6 Risk Management

- 4.6.1 There are no implications for risk management in this report.

5 Conclusions

- 5.1 The Annual Report demonstrates the important work that the Committee has completed this year. With the support of Members and officers the Committee has been involved in ensuring that good governance arrangements are a feature of the work of the Council.

6 Recommendations

- 6.1 The Corporate Governance and Audit Committee is recommended to approve the contents of the annual report at Appendix 1 and consider whether to refer the report to full Council for consideration.

7 Background documents¹

- 7.1 None Used

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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Corporate Governance and Audit Committee

Annual Report 2013-2014



CORPORATE GOVERNANCE AND AUDIT COMMITTEE

ANNUAL REPORT 2013-2014

Foreword from the Chair

I would firstly wish to record my thanks to the Elected Members who have served on the committee this year. Members from across all political groups have come together in an extremely effective way, to check, challenge and test the assurances that have been given to us.

In Committee every effort has been made to question, and where necessary probe more deeply, in order to improve the quality of governance and management. I want to thank Members for their willingness and effectiveness of their questioning and congratulate officers for the professional way in which they have responded. But of course the task must go on.

The inevitable reduction in the size of the City Council (as a result of the financial challenges facing the public sector) in no way diminishes our responsibilities. As functions and services are re-shaped and provided in different ways the governance structures of the authority become increasingly important to ensure accountability arrangements remain open and transparent.

The Local Audit and Accountability Act 2014 makes new provisions about the accounts of local public authorities and the auditing of those accounts and about the appointment, functions and regulation of local auditors.

This may, in some respects, change the nature of the relationship between the appointed local auditor and the Authority – however that independence of role will continue and is vital to enable committees such as ours to provide for a rigorous over-sight of the way in which the Council carries out its functions and how public money is accounted for.

Councillor Ghulam Hussain

Chair – Corporate Governance and Audit Committee

Background

Corporate Governance is a phrase used to describe how organisations direct and control what they do. For local authorities this also includes how a council relates to the communities that it serves. Good corporate governance requires local authorities to carry out their functions with integrity and in a way that is accountable, transparent, effective and inclusive. The role of the Corporate Governance and Audit Committee is to evaluate and improve the effectiveness of risk management, control and governance processes.

The Council's Code of Corporate Governance provides more information regarding corporate governance at Leeds.

The Annual Report

The work of the Committee has been structured around the following areas:

- The Council's accounts;
- The Council's arrangements relating to external audit;
- Testing the adequacy of core governance policies and practices to ensure compliance with statutory and other guidance;
- Arrangements relating to Internal Audit.

The Committee has received a number of annual assurance reports during the year on the following governance areas.

- Decision making
- Business continuity
- Financial management
- Performance and risk management
- Complaints (including the Ombudsman's Annual Letter)
- Internal audit update reports
- The accounts

These reports provided the foundation for the committee's approval of the Annual Governance Statement – a statutory requirement, in September 2013.

Proactive Work of the Committee 2013-14

The following section provides a summary of the proactive work undertaken by the committee over the last year. This aspect of the committee's work is vital, and has assisted in improving the effectiveness of the Council's overall corporate governance arrangements.

Business Continuity

In July 2013 we received a report on progress in ensuring that Business Continuity Plans were in place for each of our critical services. We were told that 42% of those services did not have plans in place.

We set a deadline for those services to complete the outstanding plans and through those endeavours secured 100% completion by the end of September. This exercise has helped ensure that plans are ready for use in the event of an emergency or disruptive incident to enable our most critical services to continue at an acceptable level.

The Committee will continue to oversee the progress on plans for the next tier of services.

Internal Audit

Internal audit is an independent and objective assurance activity designed to add value and improve the Council's operations and outcomes. It helps to accomplish the Council's objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Reports issued by internal audit provide a key source of assurance to the committee that the governance arrangements in place are functioning correctly.

The committee have progressed further inquiries into areas of audit where controls and/or compliance have been found to have fallen below accepted levels.

Information Commissioner's Office Data Protection Audit

In our Annual Governance Statement we reported the monetary penalty notice which was served on the council relating to documents, which contained sensitive personal information, which were inadvertently sent to the incorrect recipient.

We have sought further assurances in this area and were pleased to receive the results of a Data Protection Audit, undertaken by the Information Commissioner's Office, which found our arrangements to give reasonable assurance (the 2nd highest category) that processes and procedures are in place to comply with data protection requirements.

Public Health – Risk Management Arrangements

Following the dissolution of the Primary Care Trusts Public Health functions transferred to the City Council. NHS arrangements include well-established arrangements for the escalation of serious untoward incidents. The committee has been keen to ensure that, in transferring to the City Council, arrangements for clinical governance (and risk management more generally) are effectively integrated within the Council's governance frameworks.

The committee will continue this oversight in the new municipal year.

Due Diligence – Community Asset Transfer

Whilst community asset transfer is relatively rare (with nine such projects approved in the last three years), we wished to satisfy ourselves that thorough appraising and monitoring systems are in place and operating effectively for the transfers which do take place. We were particularly keen to understand the insurance and financial management arrangements that are in place for the assets which transfer. The Director of City Development provided us with assurance that arrangements are fit for purpose and are being routinely complied with.

Calderdale Shared Service Agreement

In July 2012 the Executive Board approved a joint venture with Calderdale MBC to develop a case management and information system for Adult Social Care. Given the ground breaking nature of the arrangement Executive Board asked the Corporate Governance and Audit Committee to monitor the implementation plan and supporting governance arrangements to ensure the project remained to time and to cost.

The committee has monitored implementation since – receiving four update reports. We have been assured throughout implementation that the governance arrangements have effectively managed the risks and challenges faced by what is a new and innovative programme of work – particularly at a time of significant social care policy reform. We thank officers from both Calderdale and Leeds for their work in supporting us.

Focus for the Committee 2014 & Beyond

Budget Challenges

The 2013 Spending Review continues the Government's plans to eliminate the structural deficit. For Leeds, between 2010/11 and 2013/14, funding from government has reduced by £94m – in addition the council has also faced significant cost pressures and reductions in income due the economic climate. The Spending Review confirmed that the initial 4 year reduction plan would continue for a further three years with further reductions on similar scales to be expected.

Delivering statutory services within this context will continue to be incredibly challenging – and the committee will seek to ensure that those services continue to be delivered with integrity and in a way that is accountable, transparent, effective and inclusive.

Local Audit and Accountability Act 2014

The Local Audit and Accountability Act 2014 abolished the Audit Commission and instituted a new 'local audit' system for the public bodies which fell under the Commission's regime.

Under the Act, local authorities may choose their own auditors (via an independent auditor panel) or opt for appointments to be made by a joint procurement body. The authority will need to carefully consider the options available to it over coming years.

The arrangements will also introduce a new audit regime covering local government, police and health bodies. The Financial Reporting Council is to become the primary regulator within the new framework and the National Audit Office will prepare and maintain the Code of Audit Practice and associated guidance to auditors.

The committee will engage fully in the work necessary to implement the new audit arrangements.

Report of City Solicitor

Report to Corporate Governance and Audit Committee

Date: 9th April 2014

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

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 seeks Members views on the content of the work programme of the Committee, so that it might meet the responsibilities set out in the committee's terms of reference.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There are no equality and diversity or cohesion and integration issues arising from this report.

4.3 Council Policies and City Priorities

4.3.1 The work programme provides a balanced number of reports and assurances upon which the committee can assess the adequacy of the council's corporate governance arrangements.

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 consider and approve the work programme set out at appendix 1.

**CORPORATE GOVERNANCE AND AUDIT COMMITTEE
WORK PROGRAMME**

July 2014		
KPMG Fee Letter	To receive a report detailing KPMG's proposed fee for the forthcoming year	Chief Officer (Financial Management) Doug Meeson
Release of Accounts for Public Inspection	To receive a report releasing the Accounts for public inspection.	Chief Officer (Financial Management) Doug Meeson
Annual Internal Audit	To receive the Annual Internal Audit Report	Chief Officer (Audit and Investment) Tim Pouncey
Annual Report on Performance and Risk Management	To receive a report regarding the Council's risk management arrangements.	Chief Corporate Support Officer Strategy and Resources Mariana Pexton
Internal Audit Update Report	To receive the Internal Audit quarterly report	Chief Officer (Audit and Investment) Tim Pouncey
KPMG – Interim Audit report	To receive the KPMG Interim audit report	Chief Officer (Financial Management) Doug Meeson
Clinical Governance Annual Report and Alignment of Clinical Governance Arrangements	To receive the annual Clinical Governance report and an update on the progress of aligning Public Health's Clinical governance arrangements to those maintained by the rest of the Council	Director of Public Health Dr Ian Cameron

CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

September 2014		
KPMG – Report to Those Charged With Governance	To receive a report giving the opinion on the financial statements, value for money conclusion and audit certificate.	Chief Officer (Financial Management) Doug Meeson
Approval of LCC Accounts	To receive a report requesting approval of the LCC Accounts	Chief Officer (Financial Management) Doug Meeson
Annual Governance Statement	To receive and approve the Annual Governance Statement	Head of Governance Services Andy Hodson
Internal Audit Update Report	To receive the Internal Audit update report	Chief Officer (Audit and Investment) Tim Pouncey
Local Government Ombudsman’s Annual Letter	To receive the annual letter from the Local Government Ombudsman	Chief Officer (Customer Access) Lee Hemsworth
Annual Decision Making Report (Including Licensing / Planning)	To receive a report presenting the outcome of the monitoring process relating to decisions taken at the Council	Head of Governance Services Andy Hodson
Annual Financial Management Report (Incorporating Capital)	To receive the annual report reviewing the Financial Planning and Management Arrangements at the Council	Chief Officer (Financial Management) Doug Meeson
November 2014		
Internal Audit Update Report	To receive the Internal Audit update report	Chief Officer (Audit and Investment) Tim Pouncey
January 2015		

CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

KPMG – Annual Audit Letter – including opinion	To receive a report certifying grants and returns and to consider the Audit Fee letter.	Chief Officer (Financial Management) Doug Meeson
KPMG – Certification of Grant Claims and Returns	To receive a report certifying grants and returns and to consider the Audit Fee letter.	Chief Officer (Financial Management) Doug Meeson
KPMG – Approval of External Audit Plan	To receive a report requesting approval of the external audit plan	Chief Officer (Financial Management) Doug Meeson
Internal Audit Update Report	To receive the Internal Audit quarterly report	Chief Officer (Audit and Investment) Tim Pouncey
Treasury Management Annual Report	To receive the annually Treasury Management Report providing assurance on the processes used by the department	Chief Officer (Audit and Investment) Tim Pouncey
April 2015		
Internal Audit Plan	To receive a report informing the Committee of the Internal Audit Plan for 2013/14	Chief Officer (Audit and Investment) Tim Pouncey
Internal Audit Update Report	To receive the Internal Audit quarterly report	Chief Officer (Audit and Investment) Tim Pouncey
Information Security Annual Report	To receive a report on the Council's Information Security arrangements.	Chief Corporate Support Officer Mariana Pexton
Annual Business Continuity Report	To receive the annual report reviewing the Councils Business Continuity planning.	Chief Corporate Support Officer Mariana Pexton

CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

Annual Report of the Committee	To receive the Annual report of the Committee reviewing the work completed over the last year	Head of Governance Services Andy Hodson
Unscheduled Items		
Calderdale Shared Services	To receive a report updating the Committee on the implementation of the Calderdale Shared Services system for Adult Social Care	Chief Officer (Resources and Strategy) Steve Hume

Report of the Chief Officer (Audit and Investment)

Report to Corporate Governance and Audit Committee

Date: 9th April 2014

Subject: Internal Audit Update Report 1st December 2013 to 28th February 2014 and Internal Audit Plan 2014/15

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. The Corporate Governance and Audit Committee has responsibility for reviewing the adequacy of the Council's Corporate Governance arrangements. Reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.
2. This report provides a summary of internal audit activity for the period 1st December 2013 to 28th February 2014 and highlights the incidence of any significant control failings or weaknesses.
3. The proposed Internal Audit Plan for 2014/15 is also included as part of this report.

Recommendations

4. The Corporate Governance and Audit Committee is asked to receive the Internal Audit 1st December 2013 to 28th February 2014 update report and note the work undertaken by Internal Audit during the period covered by the report.
5. The Corporate Governance and Audit Committee is asked to note the Internal Audit Plan for 2014/15.

1 Purpose of this report

- 1.1 The purpose of this report is to provide a summary of internal audit activity for the period 1st December 2013 to 28th February 2014 and highlight the incidence of any significant control failings or weaknesses.
- 1.2 The proposed Internal Audit Plan for 2014/15 is also included as part of this report and has been challenged and agreed by the Deputy Chief Executive.

2 Background information

- 2.3 The Corporate Governance and Audit Committee ('the Committee') has responsibility for reviewing the adequacy of the Council's Corporate Governance arrangements. Reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.

3 Main issues

- 3.1 The report details the work undertaken by the Internal Audit Section. The report also contains a summary of completed reviews along with their individual audit opinions.
- 3.2 There are no issues identified by Internal Audit in the December 2013 to February 2014 Internal Audit Update Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.
- 3.3 Internal Audit will continue to undertake a follow up audit on reports with limited or no assurance or where the impact has been determined as 'Major' to ensure the revised controls are operating well in practice.
- 3.4 The report also includes the 2014/15 Audit Plan. The number of days allocated to specifically provide the Chief Audit Executive (formerly known as the Head of Internal Audit)¹ with the evidence for his opinion on the control environment is 4,033 days. The level of resources required to provide internal audit services for which a charge is made is 317 days and 366 days have also been included in the plan for staff to be seconded to meet other priorities across the Council. The total planned days for 2014/15 is therefore 4,716.
- 3.5 Progress against the plan will be monitored throughout the year and key issues reported to the Deputy Chief Executive, the Chief Officer (Financial Services) and the Chief Officer (Audit and Investment.) The Chief Audit Executive will report key issues arising from this work to the Committee in the regular update reports.

4 Corporate Considerations

4.1 Consultation and Engagement

¹ The Head of Internal Audit is now referred to as the Chief Audit Executive in line with the definition used within the Public Sector Internal Audit Standards.

4.1.1 This report did not highlight any consultation and engagement considerations.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 This report does not highlight any issues regarding equality, diversity, cohesion and integration.

4.3 Council policies and City Priorities

4.3.1 The terms of reference of the Corporate Governance and Audit Committee require the Committee to review the adequacy of the Council's corporate governance arrangements. This report forms part of the suite of assurances that provides this evidence to the Committee.

4.4 Resources and value for money

4.4.1 In relation to resources and value for money, the Internal Audit work plan includes a number of value for money reviews and a number of initiatives in line with the council's value of spending money wisely. These will be included in the regular update reports to the Committee.

4.5 Legal Implications, Access to Information and Call In

4.5.1 None.

4.6 Risk Management

4.6.1 The Internal Audit plan has been and will continue to be subject to constant review throughout the financial year to ensure that audit resources are prioritised and directed towards the areas of highest risk. This process incorporates a review of information from a number of sources, one of these being the corporate risk register.

5 Conclusions

5.1 There are no issues identified by Internal Audit in the December 2013 to February 2014 Internal Audit Update Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.

6 Recommendations

6.1 The Corporate Governance and Audit Committee is asked to receive the Internal Audit December 2013 to February 2014 Update Report and note the work undertaken by Internal Audit during the period covered by the report.

6.2 The Corporate Governance and Audit Committee is asked to note the Internal Audit Operational Plan for 2014/15.

7 Background documents

7.1 None.

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**Internal Audit Update Report
1st December 2013 to
28th February 2014**

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3. AUDIT PERFORMANCE

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Section 1

INTRODUCTION

1.1 The Reporting Process

1.1.1 This update report provides stakeholders, including the Corporate Governance & Audit Committee, with a summary of internal audit activity for the period 1st December 2013 to 28th February 2014.

1.2 Background

1.2.1 The changing public sector environment continues to necessitate an ongoing re-evaluation of the type and level of coverage required to give stakeholders the appropriate level of assurance on the control environment of the Council.

1.3 Progress against the 2013/14 Operational Plan – High Level

1.3.1 The following table shows the progress against the operational plan for the period 1st April 2013 to 28th February 2014.

1.3.2 Achievement against the Total Audit Days element of the audit plan is currently at 81%. Resources during 2013/14 have been less than was anticipated when the audit plan was completed, due to factors such as secondments, staff absence, reductions in staff working hours and one member of staff leaving. Internal Audit is actively managing resources to direct these towards the areas of highest risk to ensure that there is not a negative impact on the ability of the Section to provide the coverage necessary to support the Chief Audit Executive (formerly known as the Head of Internal Audit) opinion on the authority's control environment. The Head of Internal Audit is now referred to as the Chief Audit Executive in line with the definition used in the Public Sector Internal Audit Standards.

Assurance Block	Total Days per Audit Plan 2013/14	Days spent at 28th February 2014	% completion at February 2014
Financial Resource Risks			
Spending Money Wisely	695	633	91%
Anti-Fraud and Corruption	600	857	143%
Key Financial Systems	810	726	90%
Chief Audit Executive Assurances	65	72	111%
Compliance	504	377	75%
Procurement, Performance and Improvement	375	268	72%

Assurance Block	Total Days per Audit Plan 2013/14	Days spent at 28th February 2014	% completion at February 2014
Risk Based Audits	345	252	73%
ICT	350	175	50%
Total Financial Resource Risks	3,744	3,360	90%
<u>Other Risks</u>			
Compliance	97	58	59%
Policies and Procedures	38	16	42%
Risk Based Audits	40	0	0%
ICT	55	0	1%
Total Other Risks	230	74	32%
<u>Continuing Development</u>			
Professional Liaison	28	3	11%
Training and CPD	305	103	34%
Total Continuing Development	333	106	32%
<u>Contingency</u>			
General Contingency	280	170	61%
Total Contingency	280	170	61%
Total Audit Days	4,587	3,710	81%

In addition, the audit plan also included days for the following:

Assurance Block	Total Days per Audit Plan 2013/14	Days spent at 28th February 2014	% completion at February 2014
External Contracts	634	670	106%
Secondments	506	879	174%
Total Days	1,140	1,549	136%

1.4 How Internal Control is reviewed

- 1.4.1 The Chief Audit Executive must provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. This includes an evaluation of the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations and information systems.
- 1.4.2 The Public Sector Internal Audit Standards define control as "any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved". In practice, the main types of controls which may be present are:

- Segregation of duties
- Organisational
- Authorisation and approval
- Physical
- Supervision
- Personnel
- Arithmetical and accounting
- Management

1.4.3 There are three elements to each internal audit review. Firstly, the control environment is reviewed by identifying the objectives of the system and then assessing the controls in place mitigating the risk of those objectives not being achieved. Completion of this work enables internal audit to give an assurance on the control environment.

1.4.4 However, controls are not always complied with which in itself will increase risk, so the second part of an audit is to ascertain the extent to which the controls are being complied with in practice. This element of the review enables internal audit to give an opinion on the extent to which the control environment, designed to mitigate risk, is being complied with.

1.4.5 Finally, where there are significant control environment weaknesses or where the controls are not being complied with and only limited assurance can be given, internal audit undertakes further substantive testing to ascertain the impact of these control weaknesses.

1.4.6 To ensure consistency in audit reporting, the following definitions of audit assurance are used for all systems and governance audits completed:

Control Environment Assurance		
Level		Definitions
1	SUBSTANTIAL ASSURANCE	There are minimal control weaknesses that present very low risk to the control environment.
2	GOOD ASSURANCE	There are minor control weaknesses that present low risk to the control environment.
3	ACCEPTABLE ASSURANCE	There are some control weaknesses that present a medium risk to the control environment.
4	LIMITED ASSURANCE	There are significant control weaknesses that present a high risk to the control environment
5	NO ASSURANCE	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance		
Level		Definitions
1	SUBSTANTIAL ASSURANCE	The control environment has substantially operated as intended although some minor errors have been detected.
2	GOOD ASSURANCE	The control environment has largely operated as intended although some errors have been detected.
3	ACCEPTABLE ASSURANCE	The control environment has mainly operated as intended although errors have been detected.
4	LIMITED ASSURANCE	The control environment has not operated as intended. Significant errors have been detected.
5	NO ASSURANCE	The control environment has fundamentally broken down and is open to significant error or abuse.

1.4.7 Organisational impact will be reported as either major, moderate or minor. All reports with major organisational impacts will be reported to CLT along with the appropriate directorate's agreed action plan.

Organisational Impact		
Level		Definitions
1	MAJOR	The weaknesses identified during the review have left the council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
2	MODERATE	The weaknesses identified during the review have left the council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
3	MINOR	The weaknesses identified during the review have left the council open to low risk. This could have a minor impact on the organisation as a whole.

1.4.8 Specifically for the compliance reviews undertaken, the following definitions have been used to assess the level of compliance in each individual area reviewed:

Opinion for Compliance Audits – Levels of Compliance		
Level		Definitions
1	HIGH	There was significant compliance with agreed policy and/or procedure with only minor errors identified.
2	MEDIUM	There was general compliance with the agreed policy and/or procedure. Although errors have been identified these are not considered to be material.
3	LOW	There was limited compliance with agreed policy and/or procedure. The errors identified are placing system objectives at risk.

1.5 Progress against the 2013/14 Operational Plan – Individual Reviews

1.5.1 The individual reports, and the opinions given within those reports, are detailed in the following table. Not all audit reviews will have an opinion in each of the boxes as this is dependant on the type of review undertaken. The following table includes reports issued between 1st December 2013 and 28th February 2014 (reports issued up to 30th November 2013 have been included in previous update reports to Corporate Governance and Audit Committee.)

Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment Assurance	Compliance Assurance	Organisational Impact		
Key Financial Systems					
Community Care Assessments (Non-Residential)	Good	Good	Minor	Adult Social Care	02/01/2014
Central Sundry Income	Substantial	Substantial	Minor	Strategy and Resources	07/01/2014
Income Management System	Substantial	N/A	Minor	Strategy and Resources	07/01/2014
Business Rates	Substantial	N/A	Minor	Strategy and Resources	08/01/2014
Housing Benefit – Local Welfare Support Scheme (LWSS)	Good	Substantial	Minor	Citizens and Communities	09/01/2014
East Moor Children’s Centre Sundry Income	Substantial	Good	Minor	Children’s Services	14/01/2014
Housing Rents	Substantial	Substantial	Minor	Environment and Housing	14/01/2014
Highways and Transport – Permit Scheme - Sundry Income	Good	Good	Minor	City Development	05/02/2014
Risk Based Reviews					
Section 48 House Searches and Appointees Follow Up Review	Acceptable	Good	Minor	Adult Social Care	10/12/2013
Former West North West Homes Asbestos Management	Acceptable	N/A	N/A	Environment and Housing	17/12/2013
Former West North West Homes Rent Arrears	N/A	Good	N/A	Environment and Housing	17/12/2013
Legal, Licensing and Registration Services – Registrars Income	Acceptable	Good	Minor	Strategy and Resources	02/01/2014
Former East North East Homes Gas Servicing	Acceptable	Acceptable	N/A	Environment and Housing	14/01/2014
Housing Partnership Assurance Framework					
Former East North East Homes Payroll	Good	N/A	N/A	Environment and Housing	06/02/2014
Former West North West Homes Payroll	Good	N/A	N/A	Environment and Housing	06/02/2014
Former Aire Valley Homes Payroll	Good	N/A	N/A	Environment and Housing	06/02/2014
AVHL Estate Environment Self-Assessment	N/A – review of self-assessment	N/A – review of self-	N/A – review of self – assessment	Environment and Housing	06/12/2013

Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment Assurance	Compliance Assurance	Organisational Impact		
		assessment			
BITMO Review of Estate Caretakers	N/A – review of VfM	N/A – review of VfM	N/A – review of VfM	Environment and Housing	02/01/2014
Housing Partnerships Tenancy Fraud - ENEHL	N/A – review of self-assessment	N/A – review of self-assessment	N/A – review of self-assessment	Environment and Housing	02/01/2014

Compliance Area	Report Title	Level of Compliance Assurance	Directorate	Date Issued
Compliance Reviews				
Policies and Procedures	Severance Payments	Medium	Strategy and Resources	05/12/2013
	Special Leave	Medium	Strategy and Resources	13/01/2014
Income	Income from Sponsorship	High	Environment & Housing	13/12/2013
	Rents and Leases from Commercial Properties	High	City Development	14/01/2014

Report Title	Results/Opinion	Directorate	Date Issued
Chief Audit Executive Assurances			
Building Hope Charity Accounts 2012-13	Independent Examination of 2012/13 Accounts - Satisfactory	Strategy and Resources	05/12/2013
Bus Operators Grant Claim – April to September 2013	Grant conditions complied with	Civic Enterprise Leeds	17/12/2013
Boston Spa School Voluntary Fund	Certification of account balances	Children's Services	11/02/2014
Troubled Families Grant Claim	Grant conditions complied with	Children's Services	14/02/2014
SeNS Grant Claim	Grant conditions complied with	Adult Social Care	28/02/2014

Further details of key issues identified within each assurance block are included below in the *Summary of Audit Activity and Key Issues at Section 2*.

Section 2

SUMMARY OF AUDIT ACTIVITY AND KEY ISSUES

A summary of reports issued within each assurance block is included in the table in Section 1. The following section highlights any key issues and outcomes within each assurance block.

2.1 Key Financial Systems

2.1.1 The reviews of the key financial systems are usually undertaken between November and March so are currently in progress. A number of these reviews have been completed and reported already as shown in the table at 1.5 above. These are: Community Care Assessments; Sundry Income; Income Management System; Housing Rents; Business Rates; and Housing Benefit – Local Welfare Support Scheme. The level of assurance provided for these key financial systems reviews was good or substantial. Action plans have been agreed with the appropriate officers that, if implemented, will give substantial control environment assurance. Results from the remaining reviews in this assurance block will be reported in the next Internal Audit update report to the Corporate Governance and Audit Committee.

2.2 Risk Based Audits

Section 48 House Searches and Appointees Follow Up Review

2.2.1 Internal Audit has completed a follow up review of the Section 48 audit originally completed in 2011/12 where a number of recommendations were made. The previous review gave limited assurance on the control environment and issues in relation to this were reported to the Corporate Governance and Audit Committee in April 2012.

2.2.2 The scope of the follow up audit was to monitor progress Adult Social Care had made against the recommendations in the previous report to address the weaknesses identified, namely:

- The lack of security in relation to client items
- The absence of adequate checks following a search and then during the progress of each case prior to closure
- The absence of regular management checks on case files and client accounts
- The absence of adequate control over the sale of houses

- The lack of control around ensuring LCC income due is received promptly and in full
- The absence of management checks to ensure cases are closed promptly and correctly

2.2.3 Overall it was found that some progress has been made to implement the recommendations made in the 2011/12 audit report, and as a result Acceptable Assurance has now been provided for the control environment and Good Assurance for compliance with this control environment. It is recognised that progress is being made with the implementation of a new system which will address a number of weaknesses in the control environment. Once the new system has been fully implemented, in conjunction with the remaining audit recommendations, it is anticipated that Good Assurance will be achieved on the control environment. The 2014/15 Audit Plan includes an allocation of time to review progress in this area.

2.3 *Spending Money Wisely*

Agency Staff and Essential Car User Allowances

2.3.1 Spending money wisely reviews of both agency staff and essential car user allowances are currently being concluded. Internal Audit is currently working with HR to finalise the reviews and agree action plans for any improvements moving forward. Emerging findings are that there are some areas where value for money could be improved and further work is being carried out to confirm the details. The findings of this work will be reported in future Internal Audit update reports to Corporate Governance and Audit Committee.

Ideas Service

2.3.2 Approximately 600 staff ideas have been submitted with suggestions and feedback on saving money and improving services. Internal Audit is progressing these ideas as previously reported to Corporate Governance and Audit Committee, and updates have recently been provided to the Chief Executive, Deputy Chief Executive, Financial Services Management Team and Finance Strategy Group. The next steps in Internal Audit's work is to send details of those ideas with an organisational impact to Directors for a definitive response about whether they can be taken forward and to enable the ideas to be incorporated into budget discussions during 2014/15.

Spending Money Wisely Graduate Project

2.3.3 Internal Audit has recently started working with a team of staff employed through the Council's Graduate Scheme on a project to support and develop the staff ideas and other Spending Money Wisely work carried out by Internal Audit.

The aim of the project is to identify areas where savings and service improvements can be made and promote a Spending Money Wisely culture across the Council. The work includes identifying improvements for the Spending Money Wisely communications strategy, assessment of staff ideas and resourcing of the ideas service. The graduate team are at the project planning stage at the moment, with project completion expected during 2014/15. Progress and outcomes of the project will be reported in future Internal Audit update reports to Corporate Governance and Audit Committee.

Use of Buildings

2.3.4 A previous Internal Audit review of Charges for the Hire of Children's Services Buildings highlighted a number of issues in relation to community buildings, including:

- A lack of management information about what community buildings the council owns, their occupancy rates, facilities, outcomes and costs
- A lack of information about non-council owned community facilities, and whether there is potential under/over provision by the council
- Insufficient information being made available to the public about community buildings that are available and how to book them
- Inconsistent facilities, pricing and discounts that do not take into account building costs and council priorities
- Low levels of usage
- Inefficiencies through duplication of effort across services, for example setting charges and taking bookings

2.3.5 As a result of the above findings the Corporate Governance and Audit Committee requested that Internal Audit carry out a review of community buildings across the Council.

2.3.6 Internal Audit has undertaken initial work to establish the scope for a further review in this area, and this has identified that some progress has been made since the original report and request for the review. This includes work currently being carried out across the Council on rationalisation of a Leeds-wide charging policy, plans to create pilot 'community hubs' in existing council buildings, a review of existing assets and development of an asset management plan. Internal Audit is satisfied that these areas of work should address the issues previously identified, and as the developments are at an early stage it would not be beneficial for an audit review of these arrangements to commence in the immediate future. Internal Audit will however continue to review progress in this area periodically to identify if an audit review would add value at a later date.

2.4 Counter Fraud and Corruption

Partner organisation update

- 2.4.1 The Internal Audit Update Report for the period 1st September to 30th November 2013 informed the Committee that Internal Audit had discovered potentially fraudulent creditor payments at a partner organisation. The purpose of this update is to inform the Committee of the current position of the investigation and to comment on the controls in place across the Authority that protect against this type of fraud.
- 2.4.2 The police are treating the matter as fraud. The criminal investigation into the fraud is on-going and no formal charges have been brought against any party at this stage. Internal disciplinary proceedings are in progress and Internal Audit continues to support the work of both the police and the designated Investigating Officer towards the conclusion of this matter.
- 2.4.3 The fraud was able to occur as several of the key controls in place in this area had either been circumvented or had not operated as intended. This will be considered through the course of the internal disciplinary process and the criminal investigation.
- 2.4.4 Since the discovery of the fraud, Internal Audit has worked with the partner organisation to improve controls and procedures. Alongside the fraud investigation work, a Value for Money and Internal Control audit has been carried out resulting in a series of recommendations aimed at strengthening controls, and the implementation of this action plan is a continuing priority for the partner organisation.
- 2.4.5 The Council's documented constitution and rules of procedure underpin a strong control environment that operates to mitigate the risk of this type of fraud occurring elsewhere across the organisation. Robust financial management arrangements and creditor controls are reinforced by regular Internal Audit and independent challenge. Annual internal audits are undertaken of these key financial systems, and for 2012/13 the audits of both the central financial management and creditor arrangements provided substantial assurance for the control environments and compliance with those control environments. The 2013/14 internal audits of these systems are currently underway and the results of these audits will be reported in future Internal Audit update reports to the Corporate Governance and Audit Committee. Internal Audit has included time within the 2014/15 audit plan to gain assurance that similarly robust financial management controls are replicated across partner organisations.

Referrals

2.4.6 Internal Audit received 13 new referrals between 1st December 2013 and 28th February 2014.

10 of these were received under the Council's Whistleblowing and Raising Concerns Policies and 3 were received from individual service areas.

30 cases have been investigated and closed in the same period.

There are 23 on-going investigations:

- 10 cases are currently being investigated;
- 13 have been referred to a service or HR for investigation and the Audit team is awaiting their responses.

Successful Prosecutions

2.4.7 The Council takes a zero tolerance approach to fraud and corruption. Pursuing the recovery of losses and taking appropriate action against those responsible are key drivers of this culture. During this reporting period, the courts have passed sentences for the following two cases, both of which were reported in the press:

- Pudsey Waterloo Primary School

Concerns regarding financial irregularities at the school were raised with Internal Audit after the school had identified discrepancies. The employee was suspended and the Police were informed. The former employee has recently been sentenced to an 18 month prison sentence, suspended for two years and was ordered to do 250 hours unpaid work following the conviction for theft. Police financial investigators have estimated that £20,707 was stolen over a period of three years. The Council is pursuing the money through the Proceeds of Crime Act. Any balance not met through this route will be recovered from the former employee's pension.

- Swarcliffe Primary School

Internal Audit has previously reported to the CG&AC in March 2013 on the outcome of an Internal Audit investigation following the reporting of concerns to Internal Audit of possible misappropriation of funds at the school. An investigation concluded that more than £30,000 had been stolen over a 2 year period. The employee was dismissed and the details were referred to the Police. On 19th January 2013 the individual

concerned was found guilty of theft and sentenced to 18 months in prison.

In March 2014 the former employee returned to court after completing the prison sentence to face a hearing under the Proceeds of Crime Act. The court has ordered the former employee to repay £13,000 (the maximum available assets) within six months or face a jail sentence of up to 12 months. The council is also pursuing further recovery of the stolen money plus the associated costs that have been incurred.

Reports Issued

2.4.8 The following investigation reports have been issued during the period:

Subject	Date
<p><u>Historic planning application</u></p> <p>An allegation concerning the basis of a development decision made several years ago was investigated. The investigation concluded that the relevant procedures had been followed and there was no evidence to substantiate the allegation made.</p>	16/12/2013
<p><u>Confidentiality of information</u></p> <p>Allegations were received concerning a named employee's working arrangements giving rise to potential information security risks. Internal Audit investigated the matter and concluded that there was no evidence to support the allegations.</p>	20/12/2013
<p><u>Procurement</u></p> <p>Allegations were received concerning a number of procurement exercises undertaken by a named officer. The investigation found that the council's contract procedure rules had not been followed in all instances and it was not possible to disprove the allegations made. Disciplinary action against the named officer is currently being considered.</p>	08/01/2014
<p><u>Substantive hours</u></p> <p>Allegations were received concerning a named employee working significantly less than their contracted hours. The Internal Audit review found no evidence to indicate any wrongdoing on the part of the named employee.</p>	20/01/2014
<p><u>Funding application</u></p>	19/02/2014

Subject	Date
Concerns regarding decisions made in respect of specific elements of funding by an Area Committee, including allegations around the application of the lettings based charging policy were raised with Internal Audit. The investigation found that there was no substance to the allegations made.	

Proactive Fraud

2.4.9 In addition to the work involved in reacting to the increased number of whistleblowing referrals received within the section, efforts continue to be made to proactively address fraud risks across the Council. This has included the re-establishment of whistleblowing protocols with directors as a means of embedding a clear and consistent approach towards the handling of whistleblowing referrals. This element of work is central to maintaining the Council wide commitment to encouraging a culture in which concerns can be raised confidently and without fear of reprisal. Alongside this, a review is taking place of both the Whistleblowing and Raising Concerns policies to ensure that clear and relevant guidance is offered upon how and when concerns should be raised around any aspect of the Council's work. The review takes account of recent changes to Public Interest Disclosure legislation, and Corporate Governance and Audit Committee Members are being consulted and invited to provide comment prior to the publication of the updated policies.

2.5 *Corporate support*

2.5.1 In order to support corporate priorities, the Section continues to have a number of staff on secondment to various projects and programmes across the authority.

- One of the Section's trainees is currently on a 15-month secondment (ending in August 2014) to the Waste Management Project within Environment and Neighbourhoods.
- A member of staff has been providing support on a full time basis to Leeds and Partners since January 2013.

Section 3

AUDIT PERFORMANCE 2013/14 At 28th February 2014

3.1 ENSURING QUALITY

Internal Audit is committed to delivering a quality product to the highest professional standards that adds value to our customers. We actively monitor our performance in a number of areas and encourage feedback from customers.

All our work is undertaken in accordance with our quality management system; we have now been ISO accredited for over fourteen years.

A customer satisfaction questionnaire (CSQ) is issued with every audit report. The questionnaires ask for the auditees opinion on a range of issues and asks for an assessment ranging from 5 (for excellent) to 1 (for poor). The results are based on the percentage of those assessments that are 3 (satisfactory) or above. The results of the questionnaires are reported to the Audit Leadership Team and used to determine areas for improvement and inform the continuing personal development training programme for Internal Audit staff. The results are also benchmarked with other core cities who have adopted the same questionnaire.

Results from Customer Satisfaction Questionnaires

Question	2013/14 Actual to date At 28 th February 2014 - % Score 3 or above
Notice	96%
Scope	94%
Understanding	97%
Efficiency	96%
Consultation	99%
Professional/Objective	99%
Accuracy of Draft	99%
Opportunity to comment	100%

Question	2013/14 Actual to date At 28th February 2014 - % Score 3 or above
Final Report - Clarity & Conciseness	99%
Final Report – Prompt	99%
Recommendations	99%
Added Value	100%

Section 4

INTERNAL AUDIT PLAN 2014/15

4.1 Background

Initial discussions have already been held with the Corporate Governance and Audit Committee on the main themes of the 2014/15 Audit Plan. Suggestions made by the Committee were confirmed to have already been covered in 2013/14 and therefore these have not been incorporated into the 2014/15 Audit Plan.

The Chief Audit Executive must provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. This includes an evaluation of the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations and information systems. To support this, internal audit must develop and deliver a risk based plan which takes into account the organisation's risk management framework and includes an appropriate and comprehensive range of work, sufficiently robust to confirm that all assurances provided as part of the system of internal audit can be relied upon by the CG&AC. The Chief Audit Executive will ensure that internal audit resources are appropriate, sufficient and effectively deployed to achieve the internal audit plan.

To develop this plan, there must be a sound understanding of the risks facing the Council. The Corporate Risk Register is used as a key source of information, as is the Internal Audit risk assessment of the Authority, which is updated during the year and used to form the basis of the Internal Audit plan.

The audit plan has been reviewed and approved by the Chief Officer (Audit and Investment), the Chief Officer (Financial Services) and the Deputy Chief Executive and revised where necessary. As the Council's Section 151 Officer, the Deputy Chief Executive is responsible under the Local Government Act for ensuring that there are arrangements in place for the proper administration of the Authority's financial affairs. The work of Internal Audit therefore has direct relevance to these responsibilities.

4.2 The Annual Plan

The planning process for 2014/15 has again necessitated a thorough evaluation of the appropriate level and scope of coverage required to give stakeholders, including the CG&AC, an appropriate level of assurance on the control environment of the Council. More importantly, an on-going re-evaluation of this will be required throughout the year. The Audit Plan is dynamic in nature and is reviewed and realigned on a regular

basis to take account of new, emerging and changing risks and priorities with resources being re-prioritised towards the areas of highest risk. It is based on a risk assessment that considers financial materiality and the business risk relating to corporate plan objectives, as well as any suspected or detected fraud, corruption or impropriety that has come to the attention of the Chief Audit Executive.

The plan follows the same principles as agreed in previous years i.e. based on assurance blocks that each give an opinion on the key control environment elements, targeted towards in year risks, rather than a more traditional cyclical approach that looks at each system over a number of years. For each assurance block, the most appropriate level of coverage necessary to provide the most effective annual assurance opinion and added value to the organisation has been developed. Audit assignments have been split between Financial Resource risks (i.e. those with a financial impact) and Other risks (i.e. non-financial impact reviews.)

The Audit Plan reflects the environment in which public sector audit operates, recognising that this has changed considerably over the past few years with more focus on assurance and, more recently, spending money wisely/value for money.

4.3 How assurance can be given

4.3.1 Key Financial Systems

This is the traditional area of internal audit work, required by external audit, and very much focuses on providing the Section 151 officer assurance that “the Council has made arrangements for the proper administration of its financial affairs.” These systems are agreed in advance with External Audit and are used as the basis by which External Audit area able to place reliance on Internal Audit work. These are generally the systems that have the highest financial risk. The proposed coverage is shown in the attached audit plan for 2014/15 but will cover key expenditure systems such as payroll and creditors and income areas such as council tax and rents. These reviews also give an opinion as to the effectiveness of financial management procedures.

4.3.2 Compliance

Compliance work is fundamental as it provides assurance across all Directorates and therefore underpins the Chief Audit Executive opinion on the control environment. The proposed coverage for compliance is underpinned by an assessment of the Council’s framework of controls (often by policies and procedures) and includes those core areas where a high level of compliance is necessary for the Council to carry out its functions properly. The work involves a series of checks across the organisation to provide assurance on whether key policies and procedures are being complied with in practice. This work will continue to challenge the existing controls to ensure that they are modern, effective and proportionate.

4.3.3 Spending Money Wisely

This assurance block incorporates the on-going work on initiatives to promote the council's value of Spending Money Wisely including the Spending Money Wisely ideas service, monthly reviews of expenditure and maintaining the Spending Money Wisely InSite page. In addition, 355 days have been included to undertake a number of Spending Money Wisely/Value for Money projects across the authority.

4.3.4 Procurement

Within this assurance block, 210 days have been included for contract reviews and will incorporate open book reviews where required to ensure that these are operating in accordance with the terms of the contracts. In addition, a number of cross cutting reviews are planned including category plan development and exceptions to Contract Procedure Rules.

4.3.6 Anti-Fraud and Corruption

The Anti-Fraud and Corruption assurance block includes both reactive and pro-active elements along with a number of initiatives to raise awareness of the council's anti-fraud and corruption culture and to report on the arrangements in place. In addition to the time allocation for fraud investigation work including the risk assessment process for referrals, the assurance block includes an allocation of days for pro-active fraud strategy work.

4.3.4 Risk Based Plan

Following inclusion in the Plan of all the 'top sliced' areas outlined, the remaining audit areas (Risk Based Reviews) included in the audit universe are prioritised for inclusion based on their risk score up to the overall level of resources in the year. These will be a key element of the assurance on the entire control environment of the authority.

4.3.9 ICT

The ICT assurance block includes an allocation of time for the review of general computer controls to provide assurance that systems are correctly processing information accurately and on a timely basis. A further allocation of time has been provided for information governance work. The assurance block also incorporates time for data analytics work including a review to identify potential duplicate payments (similar to the exercise which was carried out previously on 2009/10 data.)

4.3.11 Continuing Development

138 days have been included for professional liaison and for on-going development within Internal Audit including an allocation of time for the on-going development of the Quality Assurance and Improvement Program designed to provide reasonable assurance to the various stakeholders for Internal Audit that:

- Internal Audit performs its work in accordance with its Charter, which is consistent with the Public Sector Internal Audit Standards, Definition of Internal Auditing and Code of Ethics;
- Operates in an efficient and effective manner;
- Is adding value and continually improving Internal Audits operations.

4.3.12 Contingency

The audit plan contains a contingency provision that is utilised during the year in response to unforeseen work demands that arise.

4.3.7 Secondments

366 days for secondments have also been planned for 2014/15. This represents 80 days to support the work of Leeds and Partners, 110 days to support the Waste Management Project and 176 days to provide support to Financial Management.

4.4 Conclusion

The 2014/15 Audit Plan has, as a base, used the tried and tested risk based approach to prioritising internal audit work and includes sufficient coverage to ensure an evidence based assurance opinion on the control environment can be provided at the end of the year.

The Plan is responsive in nature and all efforts will be made to maximise coverage to provide the most effective and agile internal audit service possible that focuses on those key risks currently facing the organisation throughout the year.

Progress against the plan will be monitored throughout the year and key issues reported to the Deputy Chief Executive, the Chief Officer (Financial Services) and the Chief Officer (Audit & Investment). The Chief Audit Executive will report key issues arising from this work to the CG&AC in the regular update reports.

INTERNAL AUDIT PLAN 2014/15

Summary by Assurance Block and Comparison with 2013/14

Assurance Block	2014/15 Plan		2013/14 Plan		2013/14 Actual as at 28 th February 2014	
	Days	% of total assurance days	Days	% of total assurance days	Days	% of plan completed
Financial Resource Risks						
Spending Money Wisely	680	17%	695	15%	633	91%
Anti-Fraud and Corruption	694	18%	600	13%	857	143%
Key Financial Systems	755	19%	810	18%	726	90%
Chief Audit Executive Assurances	89	2%	65	1%	72	111%
Compliance	257	7%	504	11%	377	75%
Procurement	322	8%	375	8%	268	72%
Risk Based Audits	300	8%	345	8%	252	73%
ICT	230	6%	350	8%	175	50%
	3,327	85%	3,744	82%	3,360	90%
Other Risks						
Compliance	38	1%	97	2%	58	59%
Policies and Procedures	0	0%	38	1%	16	42%
ICT	0	0%	40	1%	0	1%
Risk Based Audits	0	0%	55	1%	16	42%
Public Sector Internal Audit Standards Compliance	60	2%	0	0%	0	-
	98	3%	230	5%	90	39%
Continuing Development						
Professional Liaison	18	0%	28	1%	3	11%
Training and CPD	120	3%	305	7%	103	34%
	138	3%	333	7%	106	32%
Contingency						
General Contingency	365	9%	280	6%	170	61%
Total Assurance Days	3,928	100%	4,587	100%	3,710	81%
Other						
External Contracts/Housing Leeds	422		634		670	106%
Secondments	366		506		879	174%
Total Other	788		1,140		1,549	136%
Total Days	4,716		5,727		5,259	92%

Internal Audit Plan 2014/15 - Detailed Reviews by Type

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
External Contracts				
School Voluntary Fund Audits	10	External Contracts	Contract Work	Building a child friendly city, becoming an efficient and enterprising council
Schools External Work	20	External Contracts	Contract Work	Building a child friendly city, becoming an efficient and enterprising council
Building Hope Charity	3	External Contracts	Strategy and Resources	Becoming an efficient and enterprising council
Interreg - Seniors Network Support Project Grant Claim	6	External Contracts	Contract Work	Delivery of Better Lives programme, becoming an efficient and enterprising council
Belle Isle Tenant Management Organisation	55	External Contracts	Contract Work	Promoting sustainable and inclusive economic growth, becoming an efficient and enterprising council
Credit Union	30	External Contracts	Contract Work	Becoming an efficient and enterprising council
TdFHUB Ltd	8	External Contracts	Contract Work	Promoting sustainable and inclusive economic growth, becoming an efficient and enterprising council
Leeds Grand Theatre	40	External Contracts	Contract Work	Becoming an efficient and enterprising council
Total External Contracts	172			
Housing Leeds				
Housing Leeds	250	External Contracts	Contract Work	Ensuring high quality public services, promoting sustainable and inclusive economic growth, becoming an efficient and enterprising council
Total Housing Leeds	250			
Financial Resource Risks				
Spending Money Wisely				
Procedures and Risk Management	5	Spending Money Wisely	Cross- Cutting	Becoming an efficient and enterprising council
Compliance and Monitoring: Review of Expenditure	160	Spending Money Wisely	Cross- Cutting	Becoming an efficient and enterprising council
Compliance and Monitoring: Published Payments Process	20	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
Communication and Improvement: Ideas Service	95	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
Communication and Improvement: Training	20	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
Communication and Improvement: Reporting	25	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
<u>Spending Money Wisely Projects</u>				
Agency Staff	30	Spending Money Wisely	Strategy and Resources	Becoming an efficient and enterprising council
Review of Travel - Car Hire and Taxi Costs	25	Spending Money Wisely	Cross- Cutting	Becoming an efficient and enterprising council
Essential Car User Allowances	5	Spending Money Wisely	Cross-Cutting	Becoming an efficient and enterprising council
Utilities	40	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
Vehicles/Fuel Usage	30	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
Household Waste Sites - Workforce Management	30	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
Mobile Phones	20	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
Software Licences	10	Spending Money Wisely	Strategy and Resources	Becoming an efficient and enterprising council
Overtime and Bonuses	30	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
CEL VfM Review - Property Maintenance	25	Spending Money Wisely	Civic Enterprise Leeds	Becoming an efficient and enterprising council
CEL VfM Review - Facilities Management	25	Spending Money Wisely	Civic Enterprise Leeds	Becoming an efficient and enterprising council
CEL VfM Review - BSC	25	Spending Money Wisely	Civic Enterprise Leeds	Becoming an efficient and enterprising council
SMW Review of Early Leavers Initiative	30	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
SMW Review of Pay Protection	20	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
Spending Money Wisely Projects - Risk Assessment	10	Spending Money Wisely	Cross - Cutting	Becoming an efficient and enterprising council
Total Spending Money Wisely	680			
Anti Fraud and Corruption				

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
<u>Reactive Fraud Work</u>				
Fraud Investigations	610	Anti Fraud and Corruption	Contingency	Ensuring high quality public services, becoming an efficient and enterprising council
<u>Proactive Fraud Work</u>				
National Fraud Initiative	20	Anti Fraud and Corruption	Cross- Cutting	Ensuring high quality public services, becoming an efficient and enterprising council
Development of Online Training Resource	20	Anti Fraud and Corruption	Cross- Cutting	Ensuring high quality public services, becoming an efficient and enterprising council
Fraud Risk Register	2	Anti Fraud and Corruption	Strategy and Resources	Ensuring high quality public services, becoming an efficient and enterprising council
Reviews of emerging trends and risks	32	Anti Fraud and Corruption	Cross- Cutting	Ensuring high quality public services, becoming an efficient and enterprising council
Fraud policies	10	Anti Fraud and Corruption	Strategy and Resources	Ensuring high quality public services, becoming an efficient and enterprising council
<i>Total Anti Fraud and Corruption</i>	694			
Key Financial Systems				
Community Care - Payments to Independent Residential Homes	50	Key Financial Systems	Adult Social Care	Delivery of Better Lives programme, becoming an efficient and enterprising council
Payroll	110	Key Financial Systems	Civic Enterprise Leeds/Cross-Cutting	Becoming an efficient and enterprising council
Housing Benefits (Accounting and Subsidy; Assessment and Payments including welfare reform)	100	Key Financial Systems	Citizens and Communities	Becoming an efficient and enterprising council, ensuring high quality public services
Housing Benefits Counter Fraud	20	Key Financial Systems	Citizens and Communities	Becoming an efficient and enterprising council
Treasury Management & Bankline	25	Key Financial Systems	Strategy and Resources	Becoming an efficient and enterprising council
Creditors (including duplicate payment central controls and purchasing card)	110	Key Financial Systems	Civic Enterprise Leeds/Cross-Cutting	Becoming an efficient and enterprising council

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
central controls)				
Capital Programme Controls	20	Key Financial Systems	Strategy and Resources	Becoming an efficient and enterprising council
Council Tax (including localisation)	50	Key Financial Systems	Citizens and Communities	Becoming an efficient and enterprising council, ensuring high quality public services
NDR (including localisation)	50	Key Financial Systems	Strategy and Resources	Becoming an efficient and enterprising council, ensuring high quality public services
Key Financial Systems: Year-End Reconciliations	45	Key Financial Systems	Strategy and Resources	Becoming an efficient and enterprising council
Housing Rents	25	Key Financial Systems	Environment and Housing	Becoming an efficient and enterprising council, ensuring high quality public services
Bank Reconciliation & Cash Book	25	Key Financial Systems	Strategy and Resources	Becoming an efficient and enterprising council
Financial Management Central Controls	20	Key Financial Systems	Strategy and Resources	Becoming an efficient and enterprising council
Sundry Income	80	Key Financial Systems	Strategy and Resources/Cross-Cutting	Becoming an efficient and enterprising council, ensuring high quality public services
Income Management System	25	Key Financial Systems	Strategy and Resources	Becoming an efficient and enterprising council
Total Key Financial Systems	755			
Grants and Other Chief Audit Executive Assurances				
DECC Local Authority Fund: Fuel Poverty Grant	5	Grants and Other Chief Audit Executive Assurances	Strategy and Resources	Becoming an efficient and enterprising council
Local Transport Capital Block Funding Grant (Integrated Transport and Highway Maintenance)	7	Grants and Other Chief Audit Executive Assurances	Strategy and Resources	Becoming an efficient and enterprising council
Flood and Coastal Risk Management Growth Fund Allocation	7	Grants and Other Chief Audit Executive Assurances	Strategy and Resources	Becoming an efficient and enterprising council

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
West Yorkshire Local Broadband Plan	7	Grants and Other Chief Audit Executive Assurances	Strategy and Resources	Promoting sustainable and inclusive economic growth, becoming an efficient and enterprising council
NDR3 Return	5	Grants and Other Chief Audit Executive Assurances	Strategy and Resources	Becoming an efficient and enterprising council
Education Funding Authority (EFA) Local Authority Use of Funds - Grant Return CFO Statement	2	Grants and Other Chief Audit Executive Assurances	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
West Yorkshire Integrated Transport Authority (WYITA) - Assurance	2	Grants and Other Chief Audit Executive Assurances	Strategy and Resources	Becoming an efficient and enterprising council
Lord Mayors Charity	10	Grants and Other Chief Audit Executive Assurances	Strategy and Resources	Becoming an efficient and enterprising council
Leeds City Region Core Cities Green Deal	5	Grants and Other Chief Audit Executive Assurances	Citizens and Communities	Becoming an efficient and enterprising council
Leeds City Region	6	Grants and Other Chief Audit Executive Assurances	Citizens and Communities	Becoming an efficient and enterprising council
Bus Operators Grant	8	Grants and Other Chief Audit Executive Assurances	Enterprise Leeds	Becoming an efficient and enterprising council
Troubled Families	10	Grants and Other Chief Audit Executive Assurances	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
SFVS Section 151 Assurance Central Controls	15	Grants and Other Chief Audit Executive Assurances	Strategy and Resources	Building a child friendly city, becoming an efficient and enterprising council
Total Grants and Other Chief Audit Executive Assurances	89			
Compliance - Financial Resource Risks				

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
Travel and Subsistence	25	Compliance	Cross - Cutting	Becoming an efficient and enterprising council
Asset Verification (Desirable Items)	15	Compliance	Cross - Cutting	Becoming an efficient and enterprising council
Rents and Leases	15	Compliance	Cross - Cutting	Becoming an efficient and enterprising council
Unannounced Visits	30	Compliance	Cross - Cutting	Becoming an efficient and enterprising council
Nursery Fees	17	Compliance	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Penalties and Fines - Car Parking	13	Compliance	Environment and Housing	Becoming an efficient and enterprising council
Assessment and Approval of Care Options	17	Compliance	Adult Social Care	Delivery of Better Lives programme, becoming an efficient and enterprising council
Income from Service Users	15	Compliance	Adult Social Care	Delivery of Better Lives programme, becoming an efficient and enterprising council
School 6th Form Funding Visits	40	Compliance	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Schools Audits	60	Compliance	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Compliance Strategy Development	10	Compliance	Cross - Cutting	Becoming an efficient and enterprising council
Total Compliance - Financial Resource Risks	257			
Procurement				
Category Plan Development	25	Procurement	Strategy and Resources	Becoming an efficient and enterprising council
Procurement Governance Arrangements	30	Procurement	Strategy and Resources	Becoming an efficient and enterprising council
Competitive Dialogue	15	Procurement	Cross- Cutting	Becoming an efficient and enterprising council
Exceptions to CPRs	15	Procurement	Cross- Cutting	Becoming an efficient and enterprising council
CPRs Policy	2	Procurement	Strategy and Resources	Becoming an efficient and enterprising council
New Generation Transport Scheme (NGT)	25	Procurement	City Development	Becoming an efficient and enterprising council
<u>Contract Reviews (indicative)</u>				Becoming an efficient and enterprising council
Contract Review: Building Schools for the Future	25	Procurement	Children's Services	Building a child friendly city, becoming an efficient and enterprising council

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
Contract Review: Allerton Bywater Primary School Phase 2	10	Procurement	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Contract Review: Little London & Beeston Hill & Holbeck Housing PFI Regeneration Project	20	Procurement	Environment and Housing	Promoting sustainable and inclusive economic growth, becoming an efficient and enterprising council
Contract Review: Children's Commissioning	30	Procurement	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Contract Review: New Merrion House	25	Procurement	Strategy and Resources	Becoming an efficient and enterprising council
Contract Review: Eastmoor Secure Children's Home	25	Procurement	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Contract Review: Long Term Vehicle Hire Contract	25	Procurement	Civic Enterprise Leeds	Becoming an efficient and enterprising council
Contract Review: Assistive Technology Hub Clarence Road	25	Procurement	Strategy and Resources	Becoming an efficient and enterprising council
Contract Review: Inner Ring Road Tunnel Phase 2	25	Procurement	City Development	Becoming an efficient and enterprising council
Total Procurement	322			
Risk Based Audits				
Partner Financial Management Arrangements	20	Risk Based Audits	Strategy and Resources	Becoming an efficient and enterprising council
Section 48 House Searches and Appointees Follow Up	10	Risk Based Audits	Adult Social Care	Delivery of Better Lives programme, becoming an efficient and enterprising council
Section 106	20	Risk Based Audits	City Development	Promoting sustainable and inclusive economic growth, becoming an efficient and enterprising council
New Charging System (Synergy Replacement)	25	Risk Based Audits	Civic Enterprise Leeds	Becoming an efficient and enterprising council
Payment for Skills	20	Risk Based Audits	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Joint Working with Health	25	Risk Based Audits	Adult Social Care	Delivery of Better Lives programme, becoming an efficient and enterprising council

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
Placement Payments	20	Risk Based Audits	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Pathway Planning	25	Risk Based Audits	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Leaving Care Grant	5	Risk Based Audits	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Public Health	25	Risk Based Audits	Public Health	Ensuring high quality public services, becoming an efficient and enterprising council
Care Decisions	25	Risk Based Audits	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Non-recurring grants	20	Risk Based Audits	Cross - Cutting	Ensuring high quality public services, becoming an efficient and enterprising council
Claims Investigation (Disrepair)	20	Risk Based Audits	Environment and Housing	Ensuring high quality public services, becoming an efficient and enterprising council
Well Being Grants	20	Risk Based Audits	Strategy and Resources	Ensuring high quality public services, becoming an efficient and enterprising council
Semi Supported Independent Living	20	Risk Based Audits	Children's Services	Building a child friendly city, becoming an efficient and enterprising council
Total Risk Based Audits - Financial Resource Risks	300			
ICT				
Key Financial Systems - General Computer Controls	20	ICT	Cross - Cutting	Becoming an efficient and enterprising council
Pro-Active Data Analytics Work	150	ICT	Strategy and Resources	Becoming an efficient and enterprising council
Information Governance	60	ICT	Citizens and Communities	Ensuring high quality public services, becoming an efficient and enterprising council
Total ICT	230			
Other Risks				
Compliance				
Managing Attendance	15	Compliance	Cross - Cutting	Becoming an efficient and enterprising council
Key Performance Indicators	8	Compliance	Cross - Cutting	Ensuring high quality public services, becoming an efficient and enterprising council

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
Decision Making	15	Compliance	Cross - Cutting	Ensuring high quality public services, becoming an efficient and enterprising council
Total Compliance	38			
Public Sector Internal Audit Standards Compliance				
Risk Management Processes	10	Risk Based Audits	Citizens and Communities	Becoming an efficient and enterprising council
Achievement of LCC Strategic Objectives	25	Risk Based Audits	Cross Cutting	Becoming an efficient and enterprising council
LCCs Ethics related objectives, programmes and activities	25	Risk Based Audits	Cross Cutting	Becoming an efficient and enterprising council
Total PSIAS Compliance	60			
Continuing Development				
West Yorkshire Fraud Group	3	Professional Liaison	Continuing Development	Becoming an efficient and enterprising council
Core Cities	10	Professional Liaison	Continuing Development	Becoming an efficient and enterprising council
West Yorkshire Audit Group	5	Professional Liaison	Continuing Development	Becoming an efficient and enterprising council
Training and Development	100	Training and CPD	Continuing Development	Becoming an efficient and enterprising council
Quality Assurance and Improvement Program (QAIP - PSIAS)	20	Continuing Development	Continuing Development	Becoming an efficient and enterprising council
Total Continuing Development	138			
Contingency				
General Contingency	365	Contingency	Contingency	Becoming an efficient and enterprising council
Total General Contingency	365			
Operational Plan Total - 2014/15	4,350			

Draft Internal Audit Plan 2014/15				
Audit	2014/15 days	Assurance Block	Directorate	Links to Best Council Objectives
Secondments	366			Becoming an efficient and enterprising council
Total Resource Plan 2014/15 (Operational Plan plus Secondments)	4,716			