



## CORPORATE GOVERNANCE AND AUDIT COMMITTEE

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Monday, 6th February, 2023  
at 10.00 am

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### MEMBERSHIP

#### Councillors

G Almass	R Downes	P Harrand
P Truswell		J Shemilt
M Midgley		B Flynn
P Wray (Chair)		
J Dowson		
J Illingworth		

#### Independent Member

Linda Wild

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**Agenda compiled by:  
Governance Services  
Civic Hall**

Debbie Oldham

# A G E N D A

Item No	Ward	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></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><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></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><b>RESOLVED</b> – 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>	

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3			<p><b>LATE ITEMS</b></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><b>DECLARATION OF INTERESTS</b></p> <p>To disclose or draw attention to any interests in accordance with Leeds City Council's 'Councillor Code of Conduct'.</p>	
5			<p><b>APOLOGIES</b></p>	
6			<p><b>MINUTES - 28TH NOVEMBER 2022</b></p> <p>To receive the minutes of the meeting held on 28<sup>th</sup> November 2022, for approval.</p>	7 - 14
7			<p><b>ANNUAL INFORMATION GOVERNANCE REPORT, INCLUDING THE ANNUAL REPORT OF THE CALDICOTT GUARDIAN</b></p> <p>To receive the report of the Director of Resources and the Director of Adults and Health to provide Corporate Governance and Audit Committee with an annual report on the arrangements in place within Leeds City Council with regards to information management and governance in order to provide assurance for the annual governance statement.</p>	15 - 36
8			<p><b>DECISION MAKING STATEMENT OF INTERNAL CONTROL</b></p> <p>This is the annual report of Chief Digital and Information Officer to the Committee concerning the decision-making arrangements within the Integrated Digital Service (IDS) and provides assurances that these arrangements are up to date, fit for purpose, effectively communicated and routinely complied with.</p>	37 - 52

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9			<p><b>INTERNAL AUDIT UPDATE REPORT SEPTEMBER TO DECEMBER 2022</b></p> <p>The report of the Chief Officer Financial Services provides a source of assurance that the internal control environment is operating as intended through a summary of the Internal Audit activity for the period from September to December 2022.</p>	53 - 98
10			<p><b>APPROVAL OF THE 2020/21 STATEMENT OF ACCOUNTS AND GRANT THORNTON AUDIT REPORT</b></p> <p>To receive the report of the Chief Finance Officer on Grant Thornton's audit of the 2020/21 accounts as they near completion and an update report on their findings.</p>	99 - 108
11			<p><b>ANNUAL ASSURANCE REPORT IN RELATION TO EMPLOYMENT POLICIES AND EMPLOYEE CONDUCT</b></p> <p>The report of the Chief Officer Human Resources is the annual report to the committee concerning the Council's employment policies and employee conduct. The report provides assurance to the Committee that, employee conduct is properly managed, policies are regularly reviewed and employee conduct forms part of normal manager/ employee relations.</p>	109 - 124
12			<p><b>CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME 2022-23</b></p> <p>The report of the Chief Officer Financial Services presents the work programme for the Corporate Governance and Audit Committee, setting out future business for the committee's agenda, together with details of when items will be presented.</p>	125 - 130
13			<p><b>DATE AND TIME OF NEXT MEETING</b></p> <p>To note the next meeting will be on Monday 24<sup>th</sup> March 2023 at 10.00am.</p>	

Third Party Recording

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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.

Use of Recordings by Third Parties– code of practice

- 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.
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# Agenda Item 6

## Corporate Governance and Audit Committee

Monday, 28th November, 2022

**PRESENT:** Councillor P Wray in the Chair  
Councillors G Almass, P Harrand,  
J Illingworth, J Shemilt, P Truswell,  
R Downes, M Midgley, B Flynn and  
J Dowson

**INDEPENDENT MEMBER** Linda Wild

### 43 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

### 44 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

### 45 Late Items

There were no late items.

### 46 Declaration of Interests

No declarations of interests were made at the meeting.

### 47 Apologies for absence

There were no apologies for absence.

### 48 Minutes - 3rd October 2022

**RESOLVED** – That the minutes of the meeting held on 3<sup>rd</sup> October 2022, be approved as a correct record.

### 49 Matters arising

#### Minute 36 Internal Audit Report June -August 2022

The Committee noted that a briefing note in relation to Covid Grant Claims had been circulated to all Members.

#### Minute 37 Internal Audit Annual Report and Opinion 2021/22

Members noted a briefing note had been circulated in relation to Procurement – Supply and Relief.

Cllr Illingworth suggested that it would be interesting to have a demonstration on the cash tracing facility noted in Minute 36. Officers to check on the possibility.

### 50 Annual Report - Financial Planning and Management Arrangements

Draft minutes to be approved at the meeting  
to be held on Monday, 6th February, 2023

The annual report of the Chief Officer Financial Services set out the standing arrangements for financial management and treasury management within the Council and provided evidence of compliance over the reporting period from November 2021 to October 2022.

In attendance for this item were:

- Richard Ellis – Deputy Chief Officer Financial Services
- Mary Hasnip – Chief Finance Officer

The report fulfilled the requirement in the Chief Finance Officer's protocol, (Section 5k of the Council's constitution), that the Chief Finance Officer will report to the Corporate Governance and Audit Committee annually to confirm that the arrangements set out in the protocol had been complied with and set out proposals for amendments in the light of any issues that had arisen during the year.

Members were informed that this report also incorporated the Treasury Management arrangements. Members noted that the Financial and Treasury arrangements were up to date and fit for purpose. Improvements had been identified and a training package had been developed for staff awareness in treasury arrangements to ensure that officers had the appropriate skills and knowledge for their roles.

The Committee were advised that the Council had compliance with IR35.

In response to questions from Members the Committee were provided with the following information:

- In relation to Paragraph 26 of the submitted report Members were advised that the exception referred to had been due to a change in the investee's credit rating on the day that the investment agreement was concluded, which should have led to a lower investment being made. Officers responsible for agreeing investments had been reminded to make a final check of credit ratings before finalising investments. Members were assured that the investment had been repaid in full on the due date.
- Members were advised that there was a robust system to track budget holders; that it is incumbent on directorates to ensure that budget holders are identified; and that monitoring takes place through a cycle of meetings held with directorates to discuss levels of control.
- It was acknowledged that Financial Health Reports are taken to the Executive Board monthly and that those reports subsequently to the Scrutiny Board remit.
- In relation to IR35 Members requested further information in relation to the number of contractors redesignated in response to IR35.
- In relation to the CIVICA Housing system it was recognised that this was a new system and there had been some issues in making sure that the system is working in the way it had been intended, and that IDS have identified this as a priority. Members requested a detailed



report on the system be included on the Committee's work programme.

- In relation to the MRP there were no issues that officers were aware of, and this had been checked by the external auditors as part of the Annual Audit. Grant Thornton Auditors had checked MRP as part of their annual audit and were aware of changes the Council had made to how it uses Capital Receipts. Members were advised that this area would remain a focus for external audit this year.
- In relation to Treasury Management, members were assured that the Council was compliant with existing Codes and was working towards compliance with the new Codes by 2023/24 as required. The new codes of practice were more specific on the training required for both officers and Members. It was noted that checks were being made to the training provision and it would be provided before the beginning of the 2023/24 year.

**RESOLVED** - To note the Chief Officer (Financial Services) assurances that:

- a. In respect of both Financial Management and Treasury Management that appropriate systems and procedures are in place to ensure that there is sound financial management and control across the authority.
- b. The arrangements set out in the Chief Finance Officer protocol have been complied with.

## 51 Counter Fraud and Corruption Update Report

The report of the Head of Audit provided a source of assurance that the internal control environment is operating as intended through a summary of the counter fraud activity for the period from April to September 2022.

In attendance for this item were:

- Louise Booth – Head of Audit
- Louise Ivens – Principal Audit Manager

Members were informed of the following points:

- This was a bi-annual report and covered the period of April to September.
- Page 58 of the agenda pack highlighted the methods used to contact the Counter-Fraud Team for both staff and the members of the public which included the provision of a dedicated inbox, telephone line, post and a 'do it online' form for members of staff. The table on page 58 showed the referrals received, by directorate, by the type of concern raised between April and September 2022. The pie chart on page 59 demonstrated the referral method. The referrals received through the 'other routes' related to those shared by external agencies such as National Anti-Fraud Network or other Council services seeking advice or assistance.
- Members noted that as at the 1<sup>st</sup> October 2022, 21 referrals were being investigated. It was also noted that 23 referrals had been closed in the reporting period.

- Pages 61-65 provided information on investigations relating to Housing Leeds and Insurance Services.
- Members noted the proactive anti-fraud work especially in relation to council tax support.
- Members were advised that as part of counter fraud arrangements, regular communications are sent to staff of current fraud risks and signposting of where to report any concerns. There had been promotion of the Fraud Awareness Training Package. In June a promotion was timed to coincide with World Whistleblower's Day with a further communication in September which had included a reminder to staff to be vigilant of bank mandate fraud.
- Members were advised of a review on the Anti-Money Laundering Policy, Procedure and Reporting Arrangements. A draft copy had been appended to the submitted report for Member's information.

In response to questions from Members the Committee were provided with the following information:

- In relation to a question on internal whistleblowing it was queried what these specific issues related to if this wasn't confidential information.
- In relation to the pie chart on page 58 Members queried the section marked 'others'. The Committee were informed that this section represented other outside bodies and other Council services seeking advice.
- In relation to a query surrounding those marked as external on the pie chart, it was confirmed that these related to members of the public and would be highlighted as such in the next report.
- Members were advised that liaison meetings were held with directorates and services to share best practice and consider any risks.

The Committee requested comparison data in relation to Housing Leeds tenanted properties and other fraud work with the core cities and neighbouring authorities for the next report.

**RESOLVED – To:**

- a) Receive the Counter Fraud Update Report covering the period from April to September 2022 (Appendix A) and note the work undertaken by Internal Audit and other service areas during the period covered by the report; and
- b) Endorse the Anti Money Laundering Policy and the Anti Money Laundering Policy on a Page (Appendix B) and that any subsequent minor changes are approved by the Chief Officer Financial Services.
- c) Receive comparative data from core cities and neighbouring authorities in the next report.

**52 Annual Report on Corporate Performance Management Arrangements**

The annual report of the Director of Resources presented assurances to the Corporate Governance & Audit Committee on the effectiveness of the council's corporate performance management arrangements. It provided Members with the opportunity to review the council's corporate performance

Draft minutes to be approved at the meeting  
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management arrangements, using the cycle of internal control framework, to enable them to determine whether these arrangements are up to date; fit for purpose; effectively communicated and routinely complied with.

In attendance for this item were:

- Marianna Pexton – Chief Officer Strategy and Policy
- Tim Rollett – Intelligence and Policy Manager

It was acknowledged that 2022/23 is a transitional year for the performance arrangements. At the start of the year the strategic ambitions of the council were set out in the Best Council Plan which provided the framework for the council's performance management arrangements. The Plan was superseded by the Best City Ambition, adopted by Full Council in February 2022, which set out the outcomes for the city. As well as including an updated performance framework, the Ambition incorporates a set of Key Performance Indicators (KPIs) to help measure progress over time against the outcomes and priorities, this had been done in consultation with Scrutiny Boards. It was noted that KPI's related to finance, workforce and some more specific such as killed or seriously injured on roads.

The reporting mechanism for the KPI's would through Corporate Leadership Team and a corporate report to Executive Board. It was noted that the team would be continually reviewing the KPI's, and it was recognised that there was more work to be done as the KPI's become embedded.

Responding to questions from the Committee the following information was provided:

- It was noted that the team had received comments on the new KPI's from Scrutiny Boards which would enable benchmarking against other core cities and neighbouring authorities which would feed back to Scrutiny Boards in performance reporting.
- Arrangements to enable service learning from contact centre engagement are well embedded, new arrangements have better systematised arrangements to ensure strategic oversight and learning within performance monitoring. Future reports will set out these arrangements. Members asked that future reports identify gaps in those arrangements and action to be taken to address these.
- Members questioned whether the council's engagement approach is reactive, based on information received through complaints and customer contact, rather than proactive engagement. Members recognised that individual services undertake surveys in relation to budget and travel etc. but were of the view that more could be done to improve services and become proactive instead of reactive.
- Members asked what work was undertaken to ensure that engagement was consistent and systematic across the council and its directorates to enable a big picture view. It was noted that there is a very small corporate team to provide advice and guidance, but the range of services delivered means that there are a variety of approaches.

It was acknowledged that the central team does not have budget and resources to undertake all surveys across the council, but that officers would look at oversight arrangements in more detail, and that the committee would have oversight of this work.

**RESOLVED – To:**

- a) Receive this report and the attached Appendix 1 as together providing key forms of assurance on the robustness of the authority's corporate performance management arrangements.
- b) Be added to the work programme to be reported quarterly with supporting governance arrangements and processes in place.

### **53 Annual Assurance on Corporate Risk and Resilience Arrangements**

The Director of Resources presented a report which provided the Corporate Governance & Audit Committee with assurances relating to the adequacy of the risk and resilience controls currently in place in the council; that they are up to date, fit for purpose, embedded and routinely applied.

In attendance for this item were:

- Marianna Pexton – Chief Officer Strategy and Policy
- Tim Rollet – Intelligence and Policy Manager
- Leanne Cummings - Resilience & Emergencies Team Manager

Members were informed of the following points:

- The term 'Risk and Resilience' covers the three inter-related areas of Risk Management, Emergency Planning and Business Continuity Management.
- In Risk and Resilience there have been a number of significant changes and the teams have been working jointly. A single joint report is produced quarterly and disseminated to management teams. The report covers a wide range of aspects and arrangements are constantly evolving.
- Appendix 1 sets out emergency planning, the teams-based system, frequency of reporting and the robust training schedule.
- The teams are currently working on a joint Emergency Planning and Business Continuity policy and strategy

In response to questions from Members the Committee were provided with the following information:

- In relation to the communication arrangements in place in respect of large incidents, for example terrorist incidents, assurance was given that exercises have taken place, including no notice call outs, and internal arrangements are tested, to ensure that arrangements are efficient and effective. The Chief Officer Strategy and Policy and gave assurance that arrangements are in place and do kick in when necessary.
- In the event of an incident, it would be reported to the emergency planning officer on call 24/7 who has a direct link to the Director on call. If the incident was major the Chief Officer Strategy and Policy or Chief

Executive would be included, and the incident would be led by the relevant organisation, for example the police would lead on a terrorist incident.

- The national risk register, and regional model allow constant review and testing of arrangements to ensure that arrangements will be effective in the event of an incident.
- Services are expected to test their business continuity arrangements at local level to ensure that they address risks and ensure resilience within each service.
- It was noted that there was training in place for Councillors, and to be included in induction programme as fundamental to a Councillor's role. It was suggested that the team contact the Whips to discuss development training for all Councillors not just new Councillors. It was recognised that Councillors need to be aware of how to react to incidents and who to contact.
- In relation to a question on radiation monitors it was noted that the Council had none. However, the Council does have warning and informing information available for the public to create a household emergency plan considered matters such as where to obtain a supply of clean water and how to heat tinned food if the need arises.
- Members questioned arrangements in respect of second line checks in relation to potential for power outages. West Yorkshire Resilience Forum have identified power outages to prepare a regional power outage plan based on government guidance which will be used to inform the production of a local plan. Services are being asked to consider arrangements in the event of a power outage to address this type of risk.
- Guidance for incidents is rolled down from Central Government to the West Yorkshire Resilience Forum to the authority. 84 critical services have been identified. It was noted that feedback on the continuity plans had been positive so far.
- Members noted the risk arising from budget challenge and potential for exposure to increased claims arising because of lack of resource, and therefore claim reserves. It was suggested that a briefing note be provided for Members.

**RESOLVED** - To receive the annual report on the council's risk and resilience arrangements and note the assurances in support of their next Annual Governance Statement.

#### **54 Corporate Governance and Audit Committee Work Programme 2022-23**

The report of the Chief Officer, Financial Services presented the work programme for the Corporate Governance and Audit Committee, setting out future business for the Committee's agenda, together with details of when items will be presented.

The Lead Officer for the Corporate Governance and Audit Committee informed the Committee of the following:

- The Report from IDS had been deferred from this meeting to the meeting in February

Draft minutes to be approved at the meeting  
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- It had been decided to remove the Customer Contact Satisfaction Report as it was the view that it was better contained within the Performance Report and dealt with at Scrutiny Board.

Members were requested to consider and approve the work programme and meeting dates at Appendix A of the submitted report.

**RESOLVED** – To note the content of the report and approve the work programme and the meeting dates in Appendix A.

**55 Date and time of next meeting**

To note the next meeting of the Corporate Governance and Audit Committee is scheduled for Monday 6<sup>th</sup> February 2023 at 10:00am.

*The meeting concluded at 11:23*



Report author: Aaron Linden & Shona McFarlane

## **Annual Information Governance Report, including the Annual Report of the Caldicott Guardian**

Date: 6 February 2023

Report of: Director of Resources and the Director of Adults and Health

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### **What is this report about?**

#### **Including how it contributes to the city and council's ambitions**

- This annual report presents assurances to the Corporate Governance & Audit Committee on the effectiveness of the council's information management and governance arrangements: that they are up to date; fit for purpose; effectively communicated and routinely complied with, as well as arrangements that are in review or development in order to keep pace with developing risks or changes to legislation and guidance.
- The Caldicott Guardian gives assurance to Committee of the arrangements in place with regards to the confidentiality of patient and service-user data.
- Specific KPI's forming part of the measures of performance against the Best Council plan are:
  - Percentage of information requests received responded to within statutory timescales; including Freedom of Information (FOI), Individual Rights Requests (IRR including Subject Access Requests (SAR)) and Environmental Information Regulations (EIR).

### **Recommendation**

Corporate Governance and Audit Committee is asked to consider the contents of this report and the assurance provided as to the Council's approach to information management and governance.

### **Why is the proposal being put forward?**

1. To provide Corporate Governance and Audit Committee with an annual report on the arrangements in place within Leeds City Council with regards to information management and governance in order to provide assurance for the annual governance statement.

**Wards affected:**

Have ward members been consulted?       Yes       No

**What impact will this proposal have?**

2. The council processes a considerable amount of citizen data and has a duty to process this data in accordance with legislation, government standards and good practice. Effective corporate information governance arrangements should help prevent any risks arising or mitigate their impact on citizens should they occur.

**What consultation and engagement has taken place?**

3. Consultation on the development of strategies, policies, procedures and standards are extensively undertaken across a broad range of stakeholders including information management professionals, representatives from all Directorates via business partner colleagues, elected members and Information Management Board members.

The Information Commissioner's Office (ICO) has recently put in place a new Upstream Regulation Team that have several objectives in line with the ICO's 'ICO25 strategic plan'. Amongst the changes that local authorities will start to see are less detailed decision notices, strict deadlines for ICO correspondence, and a quicker turnaround of casework, to ease current ICO backlogs with FOI complaints. As part of the ICO's approach under the ICO25 strategic plan, they will also start to proactively prioritise those cases with the highest public interest and seek to deliver appropriate resolutions in these cases as quickly as possible. The Upstream Regulation Team will also be focussing on improving the publication of information and toolkits plus support to local authorities to reduce the number of complaints that reach the ICO, as opposed to downstream regulation in the form of corrective measures or sanctions, although these will still be applied where appropriate.

As part of this new approach, the Information Management and Governance (IM&G) management team have had 2 meetings with the ICO Group Manager for FOI casework, who the Council is actively engaging with.

**What are the resource implications?**



3. The systems and processes in place and described within this assurance report have been established to manage the allocation of resources and to manage resource conflicts.

### **What are the legal implications?**

4. Delegated authority for Information Management and Governance sits with the Director of Resources who is the Designated Senior Information Risk Owner and has been sub-delegated to the Chief Digital and Information Officer under the heading “Knowledge and Information Management” in the Director of Resources Sub-Delegation Scheme.
5. Delegated authority for the Caldicott function sits with the Director of Adults and Health and has been sub-delegated to i) the Deputy Director, Social Work and Social Services, ii) the Director of Public Health and, iii) to the Director of Children’s Services with a further sub-delegation to the Chief Officer, Partnerships and Health. These delegations can be found in the Director of Adults and Health sub-delegation scheme under the heading ‘Local Authority Circular 2002(2) Implementing the Caldicott Standard into Social Care’.
6. There are no restrictions on access to information contained in this report

### **What are the key risks and how are they being managed?**

7. Not implementing information management capabilities within our technology platforms could lead to a risk of harm to individuals’ personal data, criticism and/or enforcement from the Information Commissioner’s Office, who advise where technology is available to assist with compliance this should be implemented.
8. The risk associated with not implementing UK GDPR / DPA18 compliant information governance policies, procedures and practice across the council leaves the organisation more susceptible to breaches of legislative, regulatory and contractual obligations, affecting the confidence of its citizens, partners, contractors and third parties when handling and storing information.
9. There are two corporate risks associated with Information Governance;
  - a. LCC 26 - Information Management and Governance
  - b. LCC 31 - Major Cyber Incident
10. A number of associated Directorate level risks are also managed, and there will be managed in a different way in the next financial year. These are articulated in full in the Meaningfully Monitor section of the Appendix.
11. There is a directorate level risk on the council’s failure to meet statutory legal timeframes for responding to information right requests. Our aim is to remove/reduce this risk during 2023/24.

12. Non-compliance with Public Services Network (PSN) standards could leave the Council vulnerable to the following risks:
  - The Head of the PSN could inform the Department of Works and Pensions of our non-compliance. Continued non-compliance could culminate in denial of access to Revenues and Benefits data.
  - The Head of PSN could inform the ICO, which could culminate in the revisiting of the audit conducted by the ICO in 2013 to ensure compliance against the Data Protection Act / GDPR.
  - The Head of PSN could inform the Deputy National Security advisor to the Prime Minister, who would in turn conduct an assessment based on the national risk profile.
  - The Head of PSN could instigate an external audit of all our security systems by the National Cyber Security Centre. The Council could end up under partial commissioner control.
  - Ultimately, the Head of PSN could instigate a complete 'switch off' from PSN services
  
13. PSN certification is relied upon as an assurance mechanism to support information sharing, where many of the requirements request that the council present a certificate prior to sharing, or evidence alternative, more time consuming, compliance work to be completed.
  
14. Without a PSN certificate, there is significant risk to the council's National reputation as a Digital Innovator.
  
15. Non-compliance with the Caldicott function could leave the Council vulnerable to the following risks:
  - compromises to the security of confidential patient identifiable data.
  - damage to the Council's reputation and the trust which individuals place in the Council to safeguard their data.
  - infringements of data protection legislation / law on confidentiality and subsequent complaints / claims from individuals affected.
  - non-compliance with the Data Security and Protection toolkit which would restrict the sharing of patient data with the NHS.
  - enforcement action from the Information Commissioner's Office.
  
16. Further work is being undertaken in conjunction with the Intelligence and Policy Manager, who is responsible for corporate risk management arrangements, to embed more effective and coordinated Information Risk Management. This work will ensure wider coverage and more in-depth risk assessment in relation to information and ensure appropriate risk ownership.
  
17. The Information Asset Register project is ongoing and will generate required information and an automated dashboard will be produced to report risk assessments to the SIRO. This will provide the assurance required by the SIRO from the business and will allow risk mitigations to be prioritised.

**Does this proposal support the council's three Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

18. Appropriate collection, storage, use, security and sharing of information supports each of the council's three Key Pillars. Each pillar requires information and therefore poor information governance practice could impact on their achievement. The information governance arrangements aim to ensure that all council information is managed appropriate and lawfully.

### **Options, timescales and measuring success**

What other options were considered?

19. N/A

How will success be measured?

20. Success will be measured through the Council's corporate KPI and benchmarking with neighbouring and/ or Core City local authorities.

What is the timetable for implementation?

21. N/A

Appendices

22. Appendix 1: Corporate Information Governance Arrangements

Background papers

23. None

Define and Document

1. Information Management and Governance Policies and Procedures

Policy	Protocol	Procedures
<b>Information Compliance Policy</b> <ul style="list-style-type: none"> <li>Data Protection Policy Statement</li> <li>Freedom of Information and Environmental Information Regulations Policy</li> </ul>	<ul style="list-style-type: none"> <li>Filming and Photography Protocol</li> </ul>	<ul style="list-style-type: none"> <li>General Data Protection Regulation (GDPR) Toolkit</li> <li>Toolkit for managers of leavers and movers</li> <li>International Transfers – Practitioners Guide</li> <li>Looking after information Toolkit</li> <li>Information Requests Toolkit</li> </ul>
<b>Data Quality Policy</b>		
<b>Information Assurance Policy</b> <ul style="list-style-type: none"> <li>Remote Working Policy</li> <li>ICT Equipment Disposal Policy</li> </ul>	<ul style="list-style-type: none"> <li>Acceptable Use Protocol</li> <li>Password Protocol</li> <li>Information Security Incident Protocol</li> </ul>	<ul style="list-style-type: none"> <li>Encrypted memory sticks Toolkit</li> <li>ICT Equipment Disposal Procedure</li> <li>Procedure for the Secure Storage of Filing Cabinet Keys (Children’s and Adult Social Care only)</li> <li>Procedure for Taking Personal Data and Special Category Data Off LCC Premises (Children’s and Adult Social Care only)</li> <li>IMG Training Strategy</li> <li>Information Incident toolkit</li> </ul>
<b>Information Sharing Policy</b>	International Transfers protocol	<ul style="list-style-type: none"> <li>Sharing information Toolkit</li> <li>High Security File Transfer Procedure</li> <li>Sharing Information for research Projects Procedure</li> <li>Peer Checking for Post Procedure</li> </ul>
<b>Records Management Policy</b> <ul style="list-style-type: none"> <li>ICT Back-up Retention Policy</li> </ul>	Office Move Protocol	<ul style="list-style-type: none"> <li>When and how to dispose of information Toolkit</li> <li>Using the records management facility Toolkit</li> <li>Track and Trace Procedure for Hard Copy Files</li> <li>Creation, storage, and disposal of information Toolkit</li> </ul>

## 2. Roles and Responsibilities

### 2.1. Decision making

Place from where function derived	Function Delegated	Officer to whom delegated	Terms and Conditions
<b>Director of Resources</b>			
HMG Security Policy Framework Version 1.1 – May 2018	Undertake role of Senior Information Risk Owner (SIRO)	Chief Digital and Information Officer	Where the SIRO is not available: have ultimate responsibility for the acceptance, or otherwise, of information risks for the council; responsible for approving, and ensuring implementation of, all policies and procedures relating to the Information Governance Framework
HMG Security Policy Framework Version 1.1 – May 2018	To approve Information Governance (IG) policy exemptions	Chief Digital and Information Officer	Level 3 exemptions where it is anticipated there will be a high business impact. In consultation with Information Management Board Level 1 and 2 exemptions where it is anticipated there will be a low or medium business impact. In consultation with key stakeholders
HMG Security Policy Framework Version 1.1 – May 2018	To investigate information security breaches	Chief Digital and Information Officer	In liaison with HR and other key stakeholders
HMG Security Policy Framework Version 1.1 – May 2018	Approve Information Sharing Agreements, Data Processing Agreements, Non-disclosure agreements when sharing information with third parties	Information Asset Owners	For the information assets for which they have been identified as the responsible officer.
		Information Governance Officers in relation to matters within their remit	Where the relevant IAO is not available
<b>Director of Adults and Health</b>			
Local Authority Circular(2002)2 Implementing the Caldicott Standard into Social Care	To act as Caldicott Guardian for Adult Social Care	Deputy Director Social Work and Social Care Services	For matters relating to Adult Social Services
	To act as Caldicott Guardian for Public Health	Director of Public Health	For matters relating to Public Health and to sub-delegate as necessary
	To act as Caldicott Guardian for Children's Services	Director of Children's Services	For matters relating to Children's Services and to sub-delegate as necessary
<b>Data Protection Officer</b>			
DPA (Data Protection Act) 2018 and UK GDPR (UK General	N/A	N/A	The Council's Head of Information Management and Governance is the Council's Data Protection Officer (DPO). The DPA 2018 and UK GDPR requires the council, as a public authority, to designate a Data Protection Officer.

Place from where function derived	Function Delegated	Officer to whom delegated	Terms and Conditions
Data Protection Regulation)			The main tasks of the DPO are: to inform and advise the council of its obligations under UK GDPR when processing personal data; to monitor compliance with the UK GDPR; to provide advice where requested, particularly, with regards to data protection impact assessments and other high risk processing activities; and to act as the contact point with the supervisory authority (the Information Commissioners Office (ICO)).

## 2.2. Leadership and Oversight

Democratic Oversight	
Executive Member for Resources	Oversight of executive decision making with regards to IM&G
Corporate Governance and Audit Committee	Annual Information Governance Reporting, including the Annual Report of the Caldicott Guardian Ad hoc reporting on request of the Committee, for example: <ul style="list-style-type: none"> <li>• PSN Compliance</li> <li>• International Transfers and Data Adequacy</li> <li>• Access Project</li> </ul>
Strategy and Resources Scrutiny	Ad hoc reporting on request of the Committee, for example: <ul style="list-style-type: none"> <li>• Performance with regards to Freedom of Information Requests</li> </ul>
Management Oversight	
Information Management Board (IMB) (The IMB has 3 sub-groups articulated below)	<p>Chaired by the SIRO. The purpose of this Board is:</p> <ul style="list-style-type: none"> <li>• Providing leadership, oversight and an approval mechanism for Information Governance and Cyber strategy and policy, ensuring regular reviews through the appropriate subgroups</li> <li>• Ensuring that an appropriate comprehensive Information Governance and Cyber framework and systems are in place throughout the Council.</li> <li>• Monitoring a cycle of information and data management improvements in a way that is compliant with the law and in line with national standards</li> <li>• Providing assurance to the Council's Senior Information Risk Officer (SIRO) and Data Protection Officer (DPO) in relation to the Council's arrangements for creating, collecting, storing, safeguarding, disseminating, sharing, using and disposing of information in accordance with its: <ul style="list-style-type: none"> <li>○ stated objectives / purposes.</li> <li>○ legislative responsibilities</li> <li>○ risk appetite</li> </ul> </li> <li>• Providing strategic leadership and direction on Information Governance and Cyber work prioritisation</li> </ul> <p>Over the next 6 months the Information Management Board will change focus from being primarily an IDS focused Board to a more holistic Corporate Information Assurance Board, with representatives from across the organisation. The Board will provide strategic direction on its remit including Information Risk Management and will provide assurances to key stakeholders.</p>

	<p>This Board will be underpinned by an operational group tasked with the delivery of the Information Strategy, with cross council and specialist teams' membership, reflective of the deliverables required. It is anticipated the current groups detailed below, except for the ISAaC Board, will be consolidated into the operational group for better joined up working, oversight and efficiency.</p>
IM&G Policy Review Working Group	<p>Chaired by the Head of Information Management and Governance. The purpose of this Group is:</p> <ul style="list-style-type: none"> <li>• Ensuring that an appropriate comprehensive Information Governance and Cyber framework is in place throughout the Council which helps the Council deliver value from the use of information in a way that is compliant with the law and in line with national standards</li> <li>• Support the Information Governance and Cyber strategy and policy and ensuring regular reviews</li> </ul>
Information Security Assurance and Compliance (ISAaC) Board	<p>Chaired by the Cyber Assurance and Compliance Manager. The purpose of this Board is:</p> <ul style="list-style-type: none"> <li>• To make recommendations regarding operational oversight and direction for Leeds City Council (LCC) in all matters of Information Security and Assurance.</li> <li>• To act as an escalation point for serious, non-emergency, security matters where improvements have been identified.</li> <li>• To monitor the degree to which LCC complies with its own security policies, current national standards for compliance and best practice using statistics and descriptive narrative generated by Operational Services' Service Centre (to guide current and future development work).</li> <li>• To agree key messages related to Information Security that need to be disseminated and/or escalation through the organisation, or any part thereof.</li> <li>• To manage the implementation of the information security priorities, aligned to the council's vision and city's strategic outcomes.</li> <li>• To manage and assign activities to the Cyber Team to ensure compliance to industry standards listed in the Objective section.</li> <li>• To review and determine policy and process related to Information Security and Assurance.</li> </ul>
Data Practitioners Group	<p>Chaired by the Head of Service, Legal Services. The purpose of this Group is:</p> <ul style="list-style-type: none"> <li>• looking at and responding to consultations;</li> <li>• reviewing new ICO guidance / codes of practice;</li> <li>• reviewing recent case law</li> <li>• reviewing ICO decisions</li> </ul>

### 3. Communication

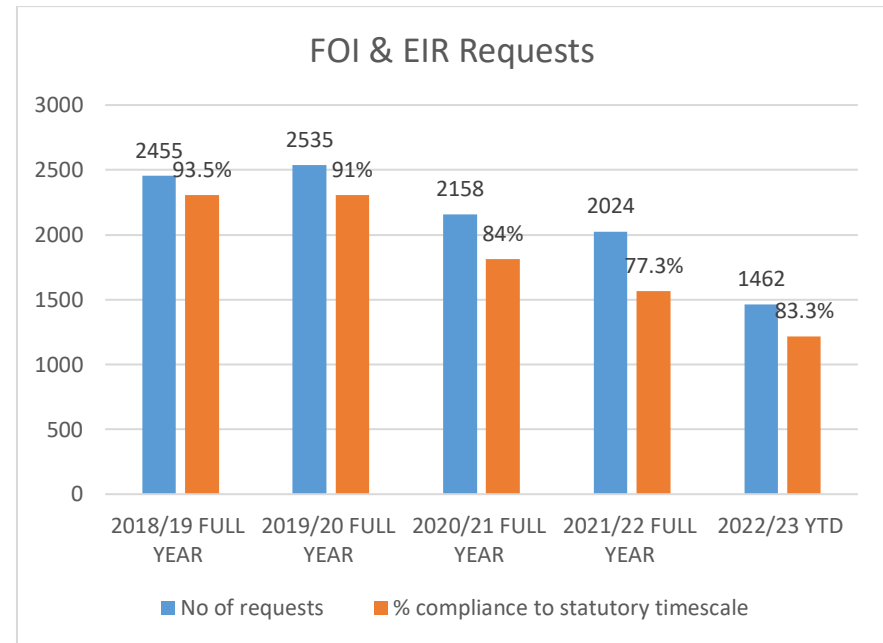
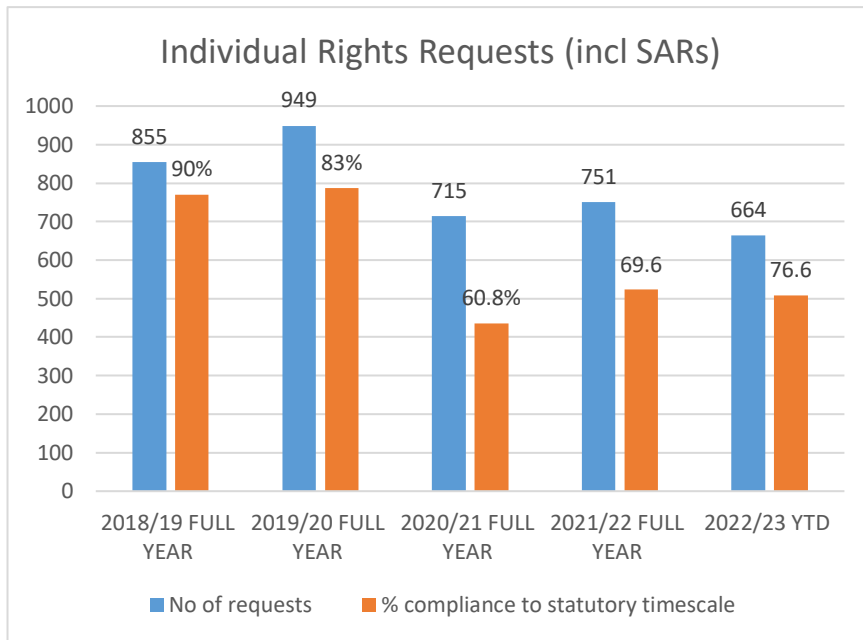
Format	Outline
Leadership	<p>The SIRO is corporately responsible for Information Risk. The SIRO communicates to all employees on high-risk matters and on compliance matters such as training.</p> <p>The DPO is corporately responsible for informing and advising the Council of its obligations under UK Data Protection legislation when processing personal data; to monitor compliance with the GDPR; to provide advice where required, particularly, with regards to data protection impact assessments and other high risk processing activities; and to act as the contact point with the supervisory authority (the Information Commissioners Office (ICO)). The DPO meets with the SIRO on a monthly basis. The DPO communicates to all staff via the Managing Information Toolkit on InSite.</p> <p>At a more local level in Information Management and Governance, communication takes place in weekly Management Team Meetings and the DPO Forum, and information is cascaded to all members of staff, as appropriate in a weekly messages meeting.</p>
Training	<p>There is an Information Governance Training Strategy. The was last reviewed and approved by IMB in February 2020, with a light touch review undertaken in April 2022. The strategy documents the training requirements of all those who work for or on behalf of LCC including those on temporary contracts, secondments, volunteers, elected members, students and any staff working on an individual contractor basis and/or who are employees for an organisation contracted to provide services to LCC. The strategy is applicable to all areas of the organisation and adherence should be included in all contracts for outsourced or shared services. There are no exclusions.</p> <p>There are four levels of training which are described below:</p> <p><b>Level 1.</b> All LCC staff are mandated to undertake this basic training in Information Governance. Training is available through two channels;</p> <ul style="list-style-type: none"> <li>• an e-learning package for PC users,</li> <li>• a brochure or leaflet for other staff.</li> </ul> <p>The Level 1 training is generic and covers IG related legislation, local policies and information security generally.</p> <p><b>Level 2.</b> This is targeted at staff who have access to special category information as part of their everyday duties. It consists of a number of packages each tailored to the issues specific to a policy/service area. These packages;</p> <ul style="list-style-type: none"> <li>• build on the Level 1 training,</li> <li>• are classroom based, ‘face to face’ and interactive (these have been conducted remotely during the pandemic).</li> </ul> <p>They provide staff with a high level of understanding about appropriate data handling and their own responsibilities when handling council information.</p> <p><b>Level 3.</b> Bespoke training packages are developed and delivered to implement specific information governance programmes of work such as;</p> <ul style="list-style-type: none"> <li>• the responsibilities of Information Asset Owners</li> <li>• Cyber – Exercise in a Box &amp; Hacking and Cracking training</li> <li>• Records Management</li> <li>• Data Protection</li> </ul>



Format	Outline
	<p>Such packages may be supplemented by briefings, discussion groups and newsletters. Subject Matter Experts may be bought in, or staff may attend external training courses or events.</p> <p><b>Level 4.</b> The following positions within the Council have the 'expert' level training necessary to provide the roles. This training is commissioned for the individuals as and when required and is usually provided by an external training provider:</p> <ul style="list-style-type: none"> <li>• SIRO - To assist staff whose roles involve responsibility for the confidentiality, security and availability of information assets, in understanding and fulfilling their duties.</li> <li>• Caldicott Guardian - To fully understand the role and function of the Caldicott Guardian.</li> <li>• Data Protection Officer - In depth understanding of the General Data Protection Regulation and Data Protection Act (and associated legislation) and information security</li> <li>• IDS Security lead - In depth understanding of the General Data Protection Regulation and Data Protection Act (and associated legislation) and information security. n depth understanding of all technical information security and assurance.</li> <li>• IDS Security Lead –</li> </ul> <p>All staff will have on-going refresher training, the level and frequency of which will be decided on an individual/service area/need basis. Level 1 refresher training is mandatory and will be undertaken at least every two years.</p>
Guidance	<p>The Managing Information Toolkit on InSite provides access to guidance, procedures and instruction for all employees covering the following areas:</p> <ul style="list-style-type: none"> <li>• Creation, storage and disposal of information</li> <li>• GDPR</li> <li>• Information about staff</li> <li>• Information security incidents</li> <li>• Looking after information</li> <li>• What to do if you receive a request for information</li> <li>• Sharing information</li> <li>• Using the Records Management Facility</li> <li>• When and how to dispose of information</li> </ul>
Newsletter	<p>Since April 2021, a monthly Cyber newsletter has been produced called the 'Cyber Sentinel'. The aim of the newsletter is to increase awareness around Cyber and why it is so important. The Cyber Sentinel highlights the work the team are doing to improve our security position, demonstrate why what we do is already excellent, and the protection it provides against cyber-attacks around the clock. The Cyber Sentinel contains regular topics every month focusing on what is going on in Cyber around the world, our own experiences in Leeds, and looks to make technical jargon more understandable. The Cyber Sentinel was first circulated to the council's CLT, but since due to demand circulation has widened to Best Council Leadership Team and beyond.</p>

#### 4. Statutory and non-statutory information requests

- 4.1. Data protection law gives individuals greater control over their personal data through several rights. Individuals are informed of their rights through the Leeds City Council Privacy notice available on our website. All staff are made aware of these rights through the information governance e-learning level 1 and information governance policies and procedures.
- 4.2. The IM&G service respond to all information requests, which includes those made under the Freedom of Information Act 2000 (FOIs) and the Environmental Information Regulations 2004 (EIRs), the UK General Data Protection Regulation (Individual Rights Requests – IRRs including subject access requests) and the UK Data Protection Act 2018 (including requests from the police, the courts, partner agencies and other government bodies and regulators).
- 4.3. Improvements have been made to performance (see table at 4.4), compared to last year, on responding to FOI/EIR/IRR requests within the statutory time limits.
- 4.4. The below charts set out the following; 1: number of statutory requests received and handled by the council from 2018/19 to 2022/23 (year to date). 2: Benchmarking data with other local authorities.



## Benchmarking performance

Number of FOI/EIR requests received and % within statutory timeframe for 2021/22 and Q1 2022/23

Year	Quarter	Leeds City Council		Manchester City Council		Newcastle City Council*		City of Cardiff Council		Birmingham City Council		Nottingham City Council		City of York Council	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
2021-22	Q1	494	77.4%	474	82%	352	82%	336	91%	593	86%	317	94%	396	76.9%
	Q2	493	79.2%	472	81%	677	81.4%	315	88%	615	77%	306	95%	419	77.5%
	Q3	466	74.3%	494	79%	1003	82.5%	353	91%	487	80%	324	95%	387	79.2%
	Q4	569	75.1%	552	76%	1289	83%	432	96%	486	81%	312	96%	483	81.2%
2021/22 Year-end total		2024	77.1%	1992	79%	1289	83%	1436	92%	2181	81%	1259	95%	1685	81.2%
2022-23	Q1	544	78%	540	83%	358	82%	383	95%	375	80%	344	96%	339	83.90%

\*Does not include any social housing related FOIs, these are processed separately by our Homes Newcastle.

Number of IRR (incl SAR) requests received and % within statutory timeframe for 2021/22 and Q1 2022/23

Year	Quarter	Leeds City Council		Manchester City Council		Newcastle City Council		City of Cardiff Council		Birmingham City Council		City of York Council		
		Count	%	Count	%	Count	%	Count	%	Count	%	SAR %	Other %	
2021-22	Q1	206	57.3%	334	78%	8		109	97%	96	95%	51	SAR – 52.9%	Other – 78.5%
	Q2	210	72.7%	341	82%	13		155	96%	116	91%	52	SAR – 67.3%	Other – 69.6%
	Q3	142	78%	256	82%	11		121	92%	107	91%	43	SAR – 71.6%	Other – 87.5%
	Q4	191	66.7%	326	81%	18		126	75%	131	94%	48	SAR – 72.1%	Other – 75.0%
2021/22 Year-end total		751	68.8%	1257	81%	50		511	90%	450	93%	194	SAR – 72.1%	Other – 75.0%
2022-23	Q1	199	73.2%	294	78%	16	81.2%	137	91%	146	95%	51	SAR - 64.90%	Other - 87.50%

- 4.5. The first of three phases of operational change to the requests handling processes went live on 1st July 2022. Phase 1 which is 90% complete, with some minor tasks needing to be implemented, focussed on receipt of the request to the point that the service provides a response back to IM&G to collate, redact and respond to the requestor, with the associated admin and support functions. As part of the first phase of changes, services were also asked to revise their key contacts for information requests, to help services coordinate their requests without placing unnecessary burdens on multiple staff across all services. Live SharePoint performance dashboards have also been created by the IM&G service to assist all directorates with monitoring and reducing the number of late requests.
- 4.6. Performance in the following quarter following go-live of the Phase 1 changes rose by an average of 10% for both FOI/EIRs and IRRs from the previous quarter and the same quarter last year.
- 4.7. Phase 2 of the review will commence during Q3 2022/23 and will focus on the point of receipt of the response from the service to issuing the response to the requestor as well as dealing with any requests for reviews or complaints. Once the corporate changes have been implemented, IM&G will then focus on service areas by exception to offer more support where this is needed. Running alongside this project, tight monitoring and review will underpin these changes and a change management process will be put in place to support a continuous improvement approach.
- 4.8. Phase 3 work to identify a new technical solution for handling statutory information requests has already commenced, and several research meetings have taken place with Microsoft and with colleagues in IDS to explore the technical opportunities available. The use of automation and other Digital Technology will give the Council it's best chance of supporting staff to achieve the performance required of us.
- 4.9. In September 2022, the IM&G service also took a report to Corporate Leadership Team outlining the council's recommended approach to further improving performance in handling statutory information requests as referenced above.
- 4.10. Summary of Requests Received

Individual Rights Requests	<p>The council has received 664 Individual Rights Requests (IRRs) in the first 3 quarters of the financial year 2022/23 and the majority of these, approximately 98%, are subject access requests (SARs).</p> <p>The council has seen a 21% increase in the number of IRRs received in the 2022/23 financial year to date compared to the same period last year. 35% of IRRs are for access to children's social care records by individuals who were in care, or from the parents whose family have social care involvement. This is comparable with last year's figures. Due to the sensitive nature of these records the requests are highly complex and frequently run into thousands of pages. Currently, every page must be read and decisions then made in respect of applying any necessary redactions as provided for in the UK GDPR/DPA, with some extremely difficult information to be reviewed in respect of child protection matters. Meetings are taking place with relevant managers in Children and Families to identify opportunities to further improve our processing of these requests and the way in which we work together to provide the most appropriate service for requesters, both from a care leaver perspective and those staff involved in processing these requests.</p>
Freedom of Information/ Environmental Information Regulations requests	<p>The council has received 1462 Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests in the first 3 quarters of the 2022/23 financial year, this is comparable to the same period in the last financial year.</p>
Police, Court & CCTV Requests	<p>The council receives on average 100 requests per month from the police, other local authorities, HMRC and the Home Office for access to information, primarily to assist in the prevention, investigation, detection or prosecution of criminal offences. The number</p>

of requests has been consistent over the last 3 years with no indicators to show that these requests will reduce. The requests vary in their complexity from an address check, to arranging access to social care records, which involves access to paper and electronic files. The time taken to process police requests is significant, and the team at Westland Road are supporting viewings which reduces the need to move paper archived records around the city, saving on transport costs, contributing to the reduction of climate and biodiversity impacts, and reducing the IG risks of moving sensitive records.

#### 4.11. **ICO & Internal review cases**

- 4.12. If a requester is unhappy with the initial response to, or handling of their request, they can ask for an internal review which is dealt with as a stage 2 complaint under the council's complaints policy. To date this financial year the council has received 81 internal review requests for IRRs/FOIs/EIRs. We have also received 6 other data protection complaints, excluding those which relate to a request, which follow the council's normal two stage process. The time taken to respond to internal reviews / complaints is significant due to their complex nature.
- 4.13. Requesters are also able to complain to the Information Commissioner's Office if they have concerns about the way the council has responded to their request or complaint. In this financial year to date, 18 requesters/complainants have submitted complaints against the council to the ICO. As with appeals, a substantial amount of capacity is required to respond to ICO complaints as these tend, by their very nature, to be complex and often span a considerable timeframe of involvement with the council.
- 4.14. Of the 18 cases submitted to the ICO, 2 are currently active awaiting an ICO decision. Of the other 16, the outcomes are summarised below. Local/informal resolution is where the ICO asks the council to review the request and to contact the requestor to resolve their concerns.
- 4.15. Where cases are upheld in whole or part have, we have processes in place to ensure we learn from these, including bitesize learning sessions with staff and through the Data Practitioners Group.

Local/informal resolution	8
Not Upheld – no decision notice issued	3
Not Upheld - decision notice issued	2
Partly upheld	2
Withdrawn	1
Upheld - decision notice issued	0
Waiting on ICO decision	2

## 5. **Records of Processing Activities**

- 5.1. It is a legal requirement that the processing activities of the Council are documented. The Council does this through its Information Asset Register and Record of Processing forms, which are used to inform the asset register.
- 5.2. Within the information asset register the following requirements are included:
- Information Asset Owner (directorate and service).
  - Name and purpose of asset.
  - Categories of personal data/special category data.
  - Format it is in, where it is stored, access permissions and volume.
  - Retention details.
  - If it is shared, internationally transferred or hosted.
  - How critical it is and its risk rating.
- 5.3. As of December 2020, over 1,500 assets had been identified council wide. 30 Information Asset Owners had received reports/presentations regarding the status of their assets. It is acknowledged that there is further work to be done on providing the remaining Information Asset Owners with their reports, risk assessing all assets and amending data within the register regarding service names and Information Asset Owners, following staff leaving the organisation and service redesigns. There is also further work to be done to raise awareness and knowledge with those staff who are now Information Asset Owners but were not at the beginning of the project. Work on the project slowed down over the pandemic, owing to home working, staff shortages and other information governance priorities.
- 5.4. It is envisaged the above tasks will be completed by the end of 2022/23. Following this phase of the Information Asset Register implementation, work will commence on updating the register following the move of data to cloud facilities, producing a dashboard for reporting to the SIRO and linking the assets with the ROPA forms, to provide a holistic picture of data assets and their associated processing activities. The annual review of the Information Asset Register by Information Asset Owners will then commence in 2023/24.

## **6. Data Protection by Design and Default**

- 6.1. Data Protection Impact Assessments (DPIAs).
- 6.2. IM&G is close to completing a project to review and update the current corporate DPIA template, process and system. The review, which has encompass all current DPIA templates used by other areas of the business e.g. CCTV DPIAs, ICT Applications DPIAs, is working towards a roll-out of the new form and system for the start of the 2023 financial year.
- 6.3. The project team is currently developing a prototype of the new form and process with IDS colleagues using an agile approach. This will utilise the new Power Apps platform, which IDS is championing to digitise processes across directorates to deliver efficient ways of working.

## **7. Records Management**

### **Paper Rationalisation Programme/Office Asset Rationalisation**

- 7.1. Following the pandemic there has been a large amount of work to rationalise the estate of the organisation. St George House was successfully vacated by the asset management deadline and handed over to the new owners in 2021. Since then Hunslet Hall and Osmondthorpe One Stop Centre have also been vacated. IM&G are currently supporting services moving out of Farnley Hall and Landmark Court and assisting other offices to rationalise their paper records in order to make room for team moves.
- 7.2. To give an example of the volume of work required to empty council buildings of paper records, St George House had 134 boxes to be moved to new workplace or archived. 30 boxes of files (307 files) to be transferred to Westland Road Records Management Facility. 17 boxes moved to storage prior to being scanned. 69 files destroyed; these were all staff files.
- 7.3. IM&G will continue to work with Asset Management to support services with office moves and closures over the next year. Facilities management moved teams/services into Team Zones within Merrion House and Civic Hall throughout 2021/22 and IM&G will conduct an audit to ensure any paper records have been accounted for within these moves, given the services were working from home during this change.
- 7.4. IM&G work in partnership with the Corporate Records Management Facility to ensure the secure and appropriate management of our archived records. This has included the implementation of a new SharePoint system to support the management of the records, for both archive inputting and searching and requesting records. During the last quarter of 2022/23 we are looking at moving the CRMF SharePoint site either to the cloud or look at further options. This is required for two reasons, firstly as the current site is not performing at its optimum, reporting is not adequate, and performance is slow. Secondly SharePoint 2013 will be out of support during 2023, therefore, the site needs to be moved elsewhere. We have been working with the facility to ensure destructions of paper records beyond their retention are carried out to meet our statutory obligations of not holding data for longer than is necessary and to free space up at the facility. We are also supporting the facility in coming out of a third-party record storage contract and look to move records in house if possible.
- 7.5. The council have a scanning framework with Restore Digital to provide scanning contracts where needed across the organisation. This will be married up to the businesses Digital Road Maps to forecast where scanning of records may be needed. Any paper rationalisation work will also look to see where there are digitisation opportunities which may require scanning of records.

### **Microsoft 365 and Retention**

- 7.6. IM&G and wider IDS colleagues have been undertaking discovery work to understand the information management capabilities within M365. There have been successful feasibility tests in relation to how, for example, Syntex (a capability within M365) can label data. Over the coming year the Information Asset Register will be mapped against the corporate retention schedule and information assets will be classified in line with the Local Government Classification Scheme. IM&G staff and wider IDS staff have been looking at using classifiers to label data using M365 Syntex tool. Once data is labelled, M365 Purview will be used to apply retention policies to the labels, ensuring data is being managed in accordance with GDPR principle of data minimisation and storage limitation. Further data will be migrated to SharePoint Online sites from netapp file storage. Once data migration is complete, further work will be done on the data which is 'left over' in the netapp stores, to delete, archive or transfer for permanent preservation to the West Yorkshire Archive Service. Consideration will need to be given to where data that needs to be archived will be stored, as this does not need to be an easily accessible area although should be able to classify data and apply retention. This will also be considered against data from decommissioned systems which needs to be kept for retention purposes beyond the life of the application.

## 8. Cyber Assurance

- 8.1. As previously reported, in August 2020, the Integrated Digital Service (IDS) formed a Cyber Team as part of a pilot, with the remit of working to resolve vulnerabilities on the estate that are understood to be 'Business as Usual' work; work outside funded projects for example, desktop and server patching.
- 8.2. The Cyber Team has made significant progress, embracing a new way of working for Operational Services. The focus this team provides is enabling speedier resolution of configuration errors. Vulnerabilities are addressed in a prioritised approach in order to reach compliance across the majority of the estate prior to PSN submission, as per Cabinet Office instruction.
- 8.3. This Cyber Team consists of technical and coordination resources that work specifically on the resolution and mitigation of vulnerabilities that are discovered by both the annual IT Health Check and the vulnerability management system.
- 8.4. The Cyber Team meets weekly. Setting and monitoring of tasks is governed by the Information Security, Assurance and Compliance Board (ISAaC). The Cyber Team works on an 8-weekly cycle. Each tranche of work is approved by IDS SLT along with the resources required.
- 8.5. Information Management Board is the escalation route for ISAaC.
- 8.6. PSN certification was awarded in October 2022.
- 8.7. The council have completed compliance statements for Cyber Essentials. Cyber Essentials is a UK Government-backed, industry-supported certification scheme introduced in the UK to help organisations demonstrate operational security against common cyber-attacks. These have been signed off by the CDIO (Chief Digital information Officer) and the SIRO (Senior information Risk Officer) and the council's assessment is scheduled for Quarter 1 23/24. This was originally planned for 2022 but was delayed due to competing priorities and the Cyber Assurance and Compliance Manager left the organisation.

## 9. Caldicott Guardian

- 9.1. In August 2021, the National Data Guardian issued guidance on the appointment of Caldicott Guardians, their role and responsibilities in respect of data processing activities undertaken within their organisations. As it is published, under the National Data Guardian's power to issue guidance described within the Health and Social Care (National Data Guardian) Act 2018, those organisations that it applies to need to give it due regard. The guidance underlines that the relationship between with the Caldicott Guardians and other information governance professionals within an organisation and with decision makers is very important.
- 9.2. The council's Caldicott Guardian and delegates receive a quarterly performance report from the IM&G service, covering all aspects of information governance, including directorate projects, information security incidents and information rights requests.

Meaningfully Monitor

## 10. Cyber Assurance

### IT Health Check



- 10.1. The IT Health Check is a requirement of PSN compliance. It serves as an external audit of a point in time representation of the security posture the Council's technical estate. From this assessment conclusions can be drawn based on the objective evidence presented around potential gaps in security controls. The majority of vulnerabilities are given a score based on an international standard (CVSS); all critical and high vulnerabilities (CVSS 7-10) must be resolved or mitigated against prior to successful PSN submission.
- 10.2. The last IT Health Check took place in January 2022. The full report cannot be shared publicly as it documents all vulnerabilities on the estate. The risk score as at February 2022 (following the IT Health Check) had reduced significantly from the previous year.
- 10.3. The next IT Health Check is to commence in February 2023. This Committee will be updated when new findings are published.
- 10.4. Current focus remains on reducing risk from the estate by addressing the findings from vulnerability scanning. Activities are tracked and monitored via the governance articulated in the Effectively Embed section of this report.
- 10.5. As part of the Council's audit for ITHC and the PSN, additional checks are being introduced in order to provide assurance to the standard 'Cyber Essentials Plus'.

## 11. Corporate and Directorate Level Risks

Probability	Impact	Risk Score	Controls
LCC 31 - Major Cyber Incident: Risk to Citizens, Council and City as a result of digital crime, process failure or people's actions			
4 - Probable	4 - Major	Very High	<p>There are a wide range of controls that can affect the efficacy of Cyber resilience. Those include People, Process and technological controls. A summary of the key controls can be found below.</p> <ul style="list-style-type: none"> <li>- Configuration of devices</li> <li>- Training of staff.</li> <li>- Governance meetings with IM&amp;T leads</li> <li>- Strong technical employees</li> <li>- Vast potential in software portfolio for improvement with resource investment alone</li> <li>- Strong planning culture</li> <li>- Existing Process and policy</li> </ul> <p>The Information assurance compliance standards have detailed and numerous controls, to which LCC are required to meet. Those include:            PCI-DSS            PSN CoCo            Cyber Essentials Plus            Data Security and Protection Toolkit for Health            HMG SPF and related documentation.</p> <p>Partner / Contractor:</p> <ul style="list-style-type: none"> <li>- Contract clauses</li> <li>- Memorandums of understanding</li> <li>- Data sharing agreements</li> </ul> <p>- Cyber Team, focussing on vulnerabilities.</p>

Probability	Impact	Risk Score	Controls
LCC 26 - Information Management and Governance: Risk of harm to individuals, partners, organisations, third parties and the council as a result of non-compliance with Information Governance legislation and industry standards.			
3 - Possible	3 - Moderate	High	The City Council's controls aimed at mitigating the Information Management Risk are evidenced in: (a) the Information Governance Framework; (b) the policies made under it (for example, the Information Security Policy); (c) other rules and Codes of Conduct; (d) Information Technology systems which contain or provide access to Council information; (e) physical asset protection measures; (f) other, system or risk specific, controls. (g) staff training on induction and every 2 years.
AH 12 - Information Management and Governance: Risk of harm to individuals, partners, organisations, third parties and the council as a result of non-compliance with IG legislation and industry standards.			
3 - Possible	3 - Moderate	High	Mandatory IG training for all LCC staff - IG toolkit (CareCert) - IM&G Service - appropriately trained and skilled - IG Policies and procedures - Peer checking - Compliance with the Legal framework - Steering Group - Caldicott guardian - Audit reviews (Internal and External e.g., CQC file review) - Information Asset Owners and Information Asset register - Inbuilt system controls e.g., access and security - Contractual obligations, terms and conditions around IG with 3rd parties - Physical security/buildings and assets etc. - CIS Shielding policy - HR checks and procedures - Employee obligations e.g., contractual, Code of Conduct
CF 11 – Information Management and Governance: Risk of harm to individuals, partners, organisations, third parties and to the council as a result of non-compliance with IG legislation and industry standards.			
3 – Possible	3 – Moderate	High	- Mandatory IG training for all staff - IG toolkit (Carecert) - IM&G Team - appropriately trained and skilled - IG policies and procedures - rolled out, embedded and easily accessed within C&F directorate - Peer checking - Legal framework - Steering group - Caldicott guardian - Audit reviews (internal and external) - Information asset owners - Information asset register - Inbuilt system controls e.g., access and security - Contractual obligations, terms and conditions around IG with 3rd parties

Probability	Impact	Risk Score	Controls
			<ul style="list-style-type: none"> <li>- Physical security controls in place to prevent unauthorised access to information and to help ensure it's securely held e.g., staff ID badge challenge, locked doors, swipe card access, records locked away securely etc</li> <li>- Mosaic Shielding policy (currently under review)</li> <li>Level 2 IG training for Children's staff – this is mandatory for access to the Leeds Care Record</li> <li>- Data Security and Protection toolkit</li> <li>- CareCert</li> </ul>
RES 33 – Statutory Information Requests: Failure to meet the legal statutory timeframes for responding to information rights requests (FOI/EIR/IRR requests)			
3 – Possible	3. Moderate	High	<ul style="list-style-type: none"> <li>– Weekly directorate reports sent to all directorates of all current and late requests</li> <li>– Weekly/monthly monitoring of performance within IG&amp;C service</li> <li>– Creation/implementation of an IG&amp;C SharePoint site to manage and monitor day to day processing of information rights requests</li> <li>– Daily route of internal escalation established within IG&amp;C to reduce late requests</li> <li>– New IG&amp;C management tier to prioritise and manage workloads and ensure appropriate resources in place to manage statutory information rights requests</li> <li>– Rolling program of change to review all operational processes relating to this area of work and to create standard operating procedures which will drive efficiencies in terms of the time taken to deal with information rights requests.</li> <li>– The development of a multi-disciplinary workforce, intended to increase capacity to deal with information rights requests in a more efficient manner</li> <li>– All IG&amp;C staff appropriately trained and skilled through internal workforce development program</li> <li>– Future report to Corporate Leadership Team in regard to greater ownership with information asset owners for processing information rights requests</li> </ul>
CD 18 - Information Management and Governance: Risk of harm to individuals, partners, organisations, third parties and the council as a result of non-compliance with IG legislation and industry standards.			
2-Unlikely	3-Moderate	Medium	<p>The City Council's controls aimed at mitigating the Information Management Risk are evidenced in:</p> <ul style="list-style-type: none"> <li>(a) the Information Governance Framework</li> <li>(b) the policies made under it (for example, the Information Security Policy)</li> <li>(c) other rules and Codes of Conduct</li> <li>(d) Information Technology systems which contain or provide access to Council information</li> <li>(e) physical asset protection measures</li> </ul>

## 12. Level 1 Information Governance Training

The mandatory Level 1 Information Governance e-learning is updated and launched every two years and a lessons learned report is produced at the end of every iteration. Version 5 of the eLearning product was launched in September 2022. The Council target is for 100% completion across all digital users who have access to the LCC infrastructure (excluding members). Currently, as of 10<sup>th</sup> January completion stands at 99%, with an action plan in place to ensure the remaining 1% complete the training or removed off the system until they have completed the eLearning.

## Decision Making Statement of Internal Control

Date: 6<sup>th</sup> February 2022

Report of: Chief Digital and Information Officer

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### What is this report about?

#### Including how it contributes to the city's and council's ambitions

- This is the annual report to the Committee concerning the decision-making arrangements within the Integrated Digital Service (IDS) and provides assurances that these arrangements are up to date, fit for purpose, effectively communicated and routinely complied with.
- The arrangements set out provide a framework for transparent and accountable decision making within IDS in accordance with the Council's Corporate Governance Code and Framework.

### Recommendations

- a) Members are requested to:
- i. consider and note the positive assurances set out in the IDS Statement of Internal Control attached as Appendix A to this report.

### Why is the proposal being put forward?

- 1 This is the annual report to the Committee concerning IDS's decision-making arrangements.

### What impact will this proposal have?

**Wards affected:**

Have ward members been consulted?  Yes  No

- 2 The report provides an assurance of the effectiveness of the arrangements for internal control within IDS which the Committee is able to consider.

### What consultation and engagement has taken place?

- 3 The recent survey of internal control has enabled the council's managers to reflect on their experience of the controls relating to decision making, to identify strengths and weaknesses, and to recommend solutions and draw attention to potential opportunities to improve

arrangements. Details are set out in the review and refine section of the appendix to this report.

### **What are the resource implications?**

- 4 The systems and processes in place to meet the requirements of the decision-making framework do so from within existing resources.
- 5 The Statement of Internal Control confirms that arrangements ensure proportionate use of resource to secure open and accountable decision making.

### **What are the legal implications?**

- 6 The IDS decision making framework meets the statutory requirements in relation to decision making and monitoring of relevant performance indicators ensures compliance.
- 7 The IDS Statement of Internal Control confirms that arrangements have been correctly applied and meet the statutory and constitutional framework.

### **What are the key risks and how are they being managed?**

- 8 The positive assurances set out in the IDS Statement of Internal Control show that the decision-making framework is fit for purpose, embedded and routinely complied with so there are no risks identified by this report in need of action over and above the described control framework.

### **Does this proposal support the council's three Key Pillars?**

Inclusive Growth       Health and Wellbeing       Zero Carbon

- 9 Arrangements for the publication of decisions ensure that the Council is open and transparent in its consideration of the councils three Key Pillars.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 10 The IDS Statement of Internal Control is a valuable source of assurance for the Committee and enables democratic oversight of arrangements. No other option was therefore considered.

### **How will success be measured?**

- 11 Relevant performance indicators are set out in the IDS Statement of Internal Control.

### **What is the timetable for implementation?**

- 12 The decision-making framework is already in place and will remain so.

## **Appendices**

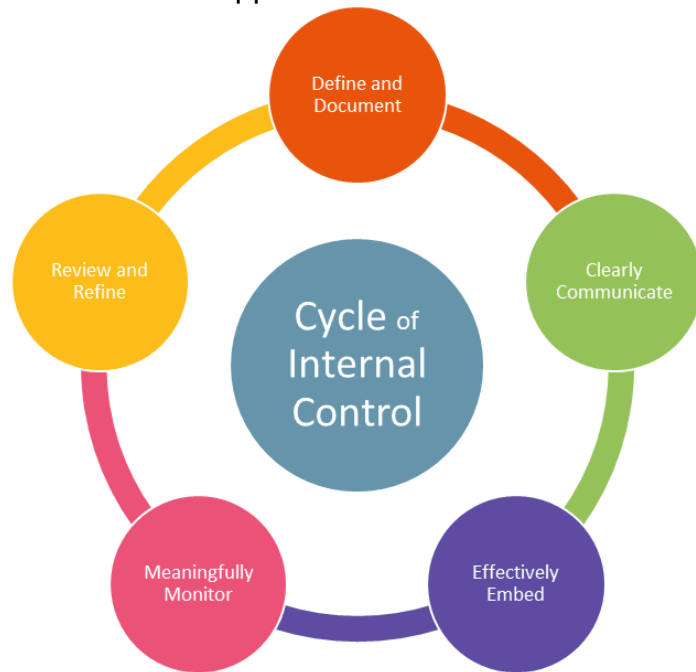
- 13 A – IDS Statement of Internal Control

## **Background papers**

- 14 None

# Introduction

1. This statement of internal control provides assurance in respect of the Council's internal control arrangements for the Integrated Digital Service; that they are up to date, fit for purpose, embedded, and routinely applied.
2. The arrangements are comprised of the documents, systems and processes which guide and control the way in which Integrated Digital Services are delivered to develop digital capacity and to support the strategic ambitions of the council.
3. In accordance with the principles and commitments set out in the Local Code of corporate Governance, the arrangements seek to support the council in developing digital capacity and delivering services in line with the Council's values.
4. This statement sets out the arrangements for the internal control of integrated digital services over the reporting period from March 2022 to February 2023.
5. The statement includes opportunities that have been identified to improve these arrangements.



## Define and Document

1. **Policies and Strategies.**
2. The policies and strategies which underpin the governance for the Integrated Digital and Innovation Service (IDS) are detailed in the following table.

<ul style="list-style-type: none"> <li>• Digital Strategies</li> </ul>	<ul style="list-style-type: none"> <li>• A set of digital principles have been defined which set the parameters for how IDS develop new technical solutions and ensure that architectural decisions align to these principles. An example being Cloud First as a guiding principle.</li> <li>• IDS are in the process of developing an Enterprise Architecture strategy which will help the organisation to understand the business functions, IT, data, and risk perspectives and then effectively plan for success.</li> </ul>
<ul style="list-style-type: none"> <li>• Digital priorities</li> </ul>	<ul style="list-style-type: none"> <li>• IDS through the Digital Change function, work closely with Directorates to plan their IT requirements and then through the Digital Board prioritisation is aligned to planned work across the council.</li> </ul>
<ul style="list-style-type: none"> <li>• IM &amp; G</li> </ul>	<ul style="list-style-type: none"> <li>• Please see separate report on this agenda Annual Information Governance Report, including the Annual Report of the Caldicott Guardian</li> </ul>

3. **Roles and Responsibilities.**

<b><u>Officer Roles and Responsibilities</u></b>	
<ul style="list-style-type: none"> <li>• Director of Resources</li> </ul>	<ul style="list-style-type: none"> <li>• The Director of Resources has overall responsibility for the IDS function and works closely with the CDIO to set strategy and direction.</li> </ul>
<ul style="list-style-type: none"> <li>• CDIO</li> </ul>	<ul style="list-style-type: none"> <li>• The Chief Digital Information Officer has full accountability for the Digital Service within the authority. All Digital decisions including any financial spend on Digital products or services are the responsibility of the CDIO. The CDIO is responsible for setting Digital strategies and for the effective planning of future Essential Service Programme capital spend requirements.</li> </ul>
<ul style="list-style-type: none"> <li>• Digital Change</li> </ul>	<ul style="list-style-type: none"> <li>• The Digital Change team are responsible for ensuring Directorates can leverage the maximum return from their investments in digital products and services. Through effective Product Management the Digital Change team own the full lifecycle of products and ensure</li> </ul>



	<p>change, contract management, training, product performance optimum, and Digital Transformation.</p> <ul style="list-style-type: none"> <li>The Digital Academy within Digital Change is responsible for ensuring Council staff and citizens are effectively trained and digitally included to enable them to drive maximum value from Digital products and services.</li> </ul>
<ul style="list-style-type: none"> <li>Service Managers</li> </ul>	<ul style="list-style-type: none"> <li>Service Managers within IDS are responsible for ensuring their service areas are managed effectively and that service planning is established to ensure effective management of the service area.</li> </ul>
<b><u>Governance bodies - IDS</u></b>	<b><u>Responsibility</u></b>
<ul style="list-style-type: none"> <li>Pre-Digital Board</li> </ul>	<ul style="list-style-type: none"> <li>To review Work Requests to ensure meet Strategic Direction and are in line with Digital Roadmaps and Financial Challenge, and organisational priorities.</li> <li>Approved work to progress: <ul style="list-style-type: none"> <li>as Business As Usual (BAU)</li> <li>as part of an established programme (e.g. ESP, website)</li> <li>New developments/Opportunities for Digitisation of processes and services.</li> </ul> </li> <li>to be presented at Digital Board for prioritisation</li> </ul>
<ul style="list-style-type: none"> <li>Digital Board</li> </ul>	<ul style="list-style-type: none"> <li>To set the strategic direction for the Digital Board, ensuring Digital enablement is aligned to the city Vision and strategic outcomes, making Digital by Design a reality.</li> <li>To set the priorities and delivery order for work being done by IDS.</li> <li>To build Digital Roadmaps, in partnership with our stakeholders that represent the future direction of the Region, City Health Partnership and the council.</li> <li>To support the ethos that we make things easier / cheaper / faster for citizen to deal with us and for staff to provide services to citizens. The way in which we deliver this principle is by linking our work to the needs of customers and delivering services that are high impact and value-adding.</li> <li>There is a documented Terms of reference for the Digital Board.</li> </ul>
<ul style="list-style-type: none"> <li>Procurement Approval Meeting</li> </ul>	<ul style="list-style-type: none"> <li>To review contract renewals / procurements ensuring that all options have been considered prior to awarding external contracts and ensuring Value for Money</li> </ul>
<ul style="list-style-type: none"> <li>Resource Management Meeting</li> </ul>	<ul style="list-style-type: none"> <li>To effectively plan IDS resourcing to ensure adequate staffing levels with the appropriate technical skills are in place in a timely manner</li> <li>To work with Service Managers to understand future required technical skills and then plan to have these in place within the service.</li> <li>To assess whether offshoring or outsourcing of skills to augment the IDS team is appropriate.</li> </ul>

<ul style="list-style-type: none"> <li>Design Authority</li> </ul>	<ul style="list-style-type: none"> <li>The Design Authority is comprised of technical roles within IDS and meets weekly. Its function is to review technical papers to ensure design principles are followed and align to the technical roadmap.</li> <li>The Design Authority is Chaired by the Chief Technical Officer.</li> <li>There is a documented terms of reference for the Design Authority.</li> </ul>
<ul style="list-style-type: none"> <li>Change Advisory Board</li> </ul>	<ul style="list-style-type: none"> <li>The Change Advisory Board is a group of people who run formal CAB meetings to assess, prioritize, authorize, and schedule changes as part of the change control process. Review changes prior to the meeting. Assess and recommend the approval or rejection of proposed changes in a timely manner.</li> <li>The Change Advisory Board is chaired by the Head of Cloud &amp; Platforms.</li> </ul>
<ul style="list-style-type: none"> <li>IM &amp; G</li> </ul>	<ul style="list-style-type: none"> <li>Please see separate report on this agenda Annual Information Governance Report, including the Annual Report of the Caldicott Guardian</li> </ul>
<p><b><u>Governance Bodies – Service</u></b></p>	<p><b><u>Responsibility</u></b></p>
<ul style="list-style-type: none"> <li>Corporate Leadership Team</li> </ul>	<ul style="list-style-type: none"> <li>The Corporate Leadership Team (CLT) are responsible for ensuring that IDS have robust and aligned service plans to ensure each Directorates digital ambition can be delivered. CLT members attend Digital Board and use this as the forum to set the strategic direction for the Digital Board, ensuring Digital enablement is aligned to the city Vision and strategic outcomes, making Digital by Design a reality.</li> </ul>
<ul style="list-style-type: none"> <li>IDS SLT</li> </ul>	<ul style="list-style-type: none"> <li>The IDS Senior Leadership Team meet every week and have a set agenda which includes a monthly financial review, a review of service performance and a Cyber update.</li> </ul>
<ul style="list-style-type: none"> <li>Programme &amp; Project Boards</li> </ul>	<ul style="list-style-type: none"> <li>Each major programme and project have their own Board to oversee delivery, manage risks, budget, quality and timeframes.</li> </ul>
<p><b><u>Democratic Oversight:</u></b></p>	<p><b><u>Responsibility</u></b></p>
<ul style="list-style-type: none"> <li>Executive Member</li> </ul>	<ul style="list-style-type: none"> <li>The Executive Member aligned to IDS is regularly briefed by the CDIO on key decisions and the Digital Strategic direction. The Executive Member is responsible for ensuring IDS plans are scrutinised and approved prior to commencement of work.</li> </ul>
<ul style="list-style-type: none"> <li>Scrutiny Board</li> </ul>	<ul style="list-style-type: none"> <li>Scrutiny Boards ensure that IDS is given appropriate consideration within their areas of responsibility and can also bring potential issues to the attention of the appropriate Director.</li> </ul>

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| <ul style="list-style-type: none"><li>• CGAC</li></ul> | <ul style="list-style-type: none"><li>• The Corporate Governance and Audit Committee is responsible for reviewing the adequacy of the council's governance arrangements, including IDS. The Committee receives an annual assurance report on IDS management arrangements from the Director of Resources and uses this to monitor, review and scrutinise these arrangements and their implementation.</li></ul> |
|--|--|

## Clearly Communicate

### 4. Training and Guidance

<u>Training</u>	<u>Guidance</u>
<ul style="list-style-type: none"> <li>• We have a Digital Academy which focusses both on the skills of employees and digital inclusion</li> <li>• A digitally skilled and confident workforce, who see the opportunities to use digital to transform services, advocate for the application of digital in a range of contexts, and effectively use digital tools and technology to improve service delivery. IDS offer a blended learning programme for line of business and corporate applications.</li> <li>• This is a combination of self service and tutor led.</li> <li>• eLearning package tools are used to measure understanding throughout the learning journey.</li> <li>• Through evaluation, IDS will determine if a curriculum is achieving the intended outcome, and if the materials and resources used are aligned with and meet learner needs.</li> <li>• Workforce digital skills development is prioritised and will be delivered in-house by the Digital Academy and/or external partners.</li> <li>• Training Needs Analysis (TNA) techniques are employed at organisational, team and individual level.</li> <li>• A digitally included and motivated population, who can use digital to transform their lives, apply digital in a range of contexts, and effectively use digital tools, technology, and services to increase their independence, make informed choices and achieve personal goals. The Digital Academy aim to achieve this through:</li> </ul>	<ul style="list-style-type: none"> <li>• Guidance and supporting materials are made accessible to all learners via the Bubo help-site.</li> <li>• The digital inclusion team within the Digital Academy have been fundamental in developing a national digital inclusion toolkit with both Age Concern and other local authorities <a href="http://digitalinclusionkit.org">Home   Digital Inclusion Toolkit (digitalinclusionkit.org)</a></li> <li>• We provide guidance to our staff on corporate policies via regular IDS bulletins</li> <li>• We have a dedicated Marketing and Communications officer who is setting the communication strategy for the service going forward to ensure all staff receive the information they need to follow all policies and procedures.</li> </ul>

<ul style="list-style-type: none"> <li>• Building a coordinated and connected digital inclusion ecosystem across Leeds.</li> <li>• Increasing the capacity of organisations across the city to deliver digital inclusion in a sustainable way</li> <li>• Implementing interventions in response to community need.</li> <li>• Increasing awareness and understanding of the digital inclusion agenda and influence systems-level change across the city</li> <li>• This will ensure better digital access to support people’s independence and ability to make informed choices, enhance service offers and improve efficiencies, and enable the delivery of council, city, and regional priorities and strategies.</li> <li>• All staff undertake mandatory corporate learning on such things as Information Management and Equality Diversity and Inclusion</li> </ul>	
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5. Leadership

The leadership team and extended SLT (direct reports to SLT members) meet weekly and, when relevant, discuss internal controls. This group are able to review the effectiveness of existing controls and discuss improvements if required.

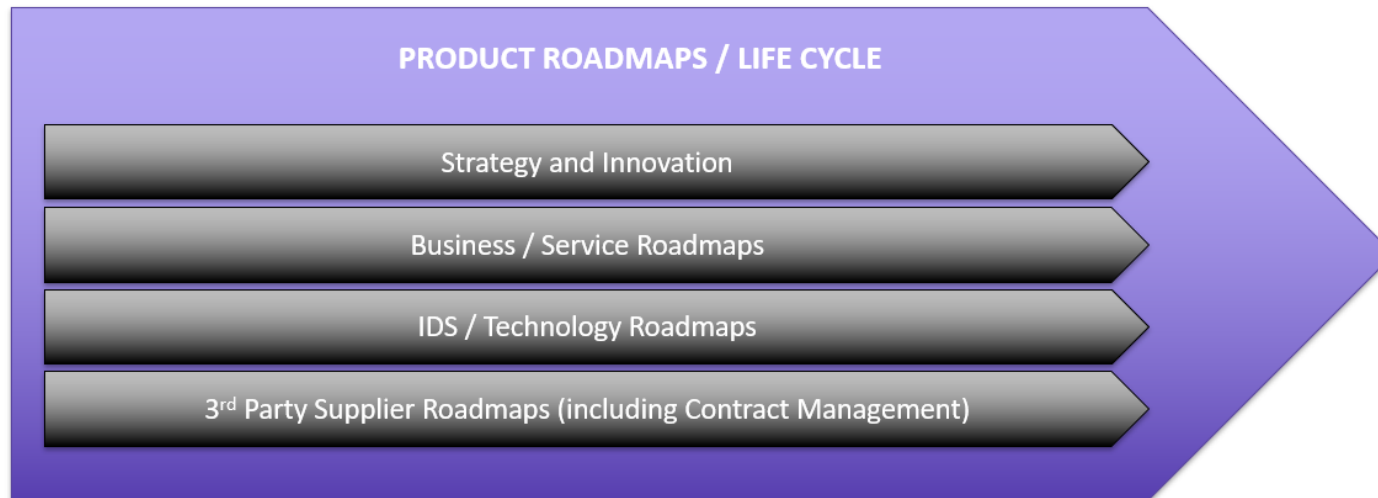
## Effectively Embed

Establish Expectation > Facilitate Compliance > Observe Outcomes

**Establish Expectation: Establish arrangements that are proportionate, practicable and compliant**

7. Directorate Digital Road maps

Managed by Digital Change Product Management taking into account the following:



8. Identified work streams –

IDS workstream mainly consist of the following - –

- Business as usual - any work where everything is proceeding as normal and as expected.
- Portfolio of change – Programmes and Projects delivering technical changes across the council.
- IDS has the following major funding schemes:

- Essential Services Programme – This Programme delivers a range of major essential IT infrastructure and application initiatives covering technology investments, refresh of ageing devices, upgrades of systems and the ongoing protection of data and information.
- Application Portfolio Programme and Digital Efficiencies Programme – This Programme ensures the LCC Application estate is compliant by meeting statutory and regulatory requirements and where possible is reducing the overall cost to the Council via application rationalisation and innovation, and the delivery of business outcomes via more efficient technical solutions.

**Facilitate Compliance: Ensure appropriate tools and sufficient resource to enable compliance**

9. Daptiv – this is the tool used by the IDS Portfolio Management Office (PMO) to plan and track delivery of all work being undertaken across IDS. It manages all IDS resources and is used to understand capacity, availability and demand management.
10. There are various Funding streams within IDS, overall operational budget for staffing, Essential Service Programme and Application Rationalisation. The ESP/App programme is a capital programme which is reviewed each year. Both programmes of work are reported to Digital Board and a new governance board comprised of representatives from IDS and Internal Audit has been established to oversee the schemes.
11. Risks – IDS manage a small number of corporate risks, and in addition manage risks on each project and health check each project on an ongoing basis and produce RAG (Red Amber Green) status updates. Health checks take into account Risks, Issues, Budget, Scope, Resources and Schedule.
12. Procurement – Corporate Procurement Rules (CPRs) are followed when undertaking the procurement of services and solutions. 1

**Observe Outcomes: Provide ongoing assurance that practice and procedure reflect expectation**

13. Daptiv reporting is used to provide assurance on delivery of all work across IDS.

14. The IDS Service Centre produces monthly reporting, which is reviewed at the IDS SLT meeting, this reviews performance against the key performance indicators measured in the Service Centre. These are answer 70% of calls within 30 seconds, answer 93% of all calls offered, resolve 70% of calls at first line. If the reporting demonstrates poor performance against the KPI's the IDS SLT instigate a service improvement plan to ensure KPI's are met.
15. A report is produced Quarterly titled LCC 15 - ICT Major Systems Failure which is reviewed at SLT and CLT. This report focusses on two risks; Ensure ICT resources are effectively managed by SLT, Improve Forecast of Resource Planning. It is used to track IDS performance against both risks.
16. The ISaAC Board monitors the degree to which LCC complies with its own security policies, current national standards for compliance and best practice using statistics and descriptive narrative generated by Operational Services' Service Centre (to guide current and future development work). It also produces the PSN work programme to ensure the work required to successfully achieve the PSN Code of Connection is complete in time.
17. The 2022 PSN Code of Connection was submitted 27<sup>th</sup> September 2022 and a new PSN Connection Compliance certificate was issued 14<sup>th</sup> October 2022. The authority is now working on submitting Cyber Essentials certification.
18. Non-compliance with PSN standards could leave the Council vulnerable to the following risks:
  - a. The Head of the PSN could inform the Department of Works and Pensions of our non-compliance. Continued non-compliance could culminate in denial of access to Revenues and Benefits data.
  - b. The Head of PSN could inform the ICO, which could culminate in the revisiting of the audit conducted by the ICO in 2013 to ensure compliance against the Data Protection Act / GDPR.
  - c. The Head of PSN could inform the Deputy National Security advisor to the Prime Minister, who would in turn conduct an assessment based on the national risk profile.
  - d. The Head of PSN could instigate an external audit of all our security systems by the National Cyber Security Centre. The Council could end up under partial commissioner control.
  - e. Ultimately, the Head of PSN could instigate a complete 'switch off' from PSN services
19. PSN certification is relied upon as an assurance mechanism to support information sharing, where many of the requirements request that the council present a certificate prior to sharing, or evidence alternative, more time consuming, compliance work to be completed.
20. Without a PSN certificate, there is significant risk to the council's National reputation as a Digital Innovator.
21. In terms of the monitoring of the IDS Portfolio, the PMO has established an independent Assurance function that will monitor and report on the status of major programmes and projects. Reporting will be into IDS, the relevant programme / project board and the Digital Board.



22. Daptiv is also used to track and monitor all projects regardless of size. Each month the overall “Health” of projects is reported on and assessed by IDS SLT. This is a RAG status with Green being everything is on plan, Amber meaning attention is required and Red as a project is in trouble. The health categories reported on include: Budget, Quality, Resource, Risk, Schedule, Scope and Benefits.

## Review and Refine

### Adequacy and Resilience of Internal Controls

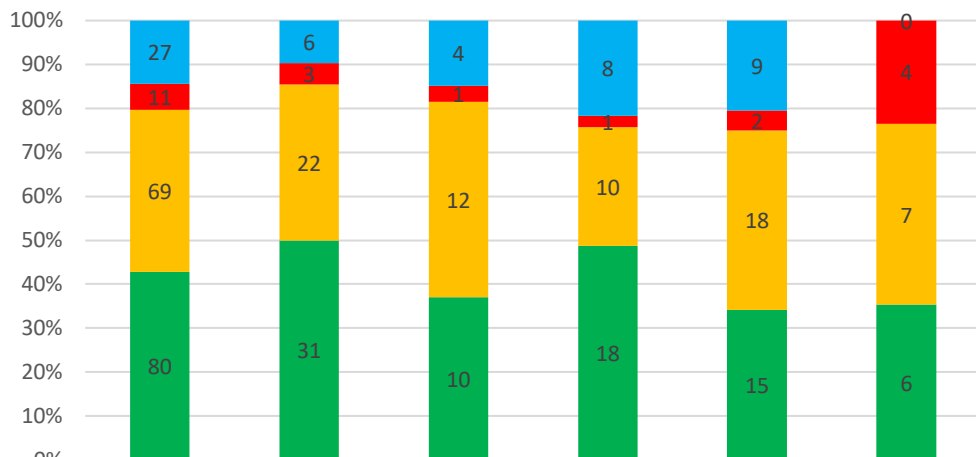
23. A number of existing controls are still being imbedded as they link to the new organisational model for IDS. The service will continue to review and ensure that these are fit for purpose on an ongoing basis.

### Survey of Internal Control

24. The survey of internal control asked operational managers to rate how well the council’s internal control arrangements are embedded. The survey included a question about arrangements for governance of integrated digital services including

- obtaining advice and guidance, and

Integrated Digital Service



	Total	Resources	City Development	Communities, Housing and Environment	Adults and Health	Children and Families
Don't Know	27	6	4	8	9	0
Not embedded	11	3	1	1	2	4
Fairly Embedded	69	22	12	10	18	7
Well embedded	80	31	10	18	15	6

- arrangements for liaison with Chief Digital and Information Officer in respect of decisions relating to use of digital technology.
25. Overall results are encouraging with 43% respondents indicating arrangements are well embedded, and a further 37% judging arrangements to be fairly embedded. Only 20% of respondents indicated that arrangements are either not embedded or that they do not know.

Learning from the survey

26. It was commented that there is an overreliance on IDS for Business Continuity without services understanding how they would operate without a Digital service for a period. This will need picking up with the Corporate Risk team to ensure that BC plans are fully developed in services which cover off on Digital.

27. There were further comments about how a communication plan would work if the majority of staff were working from home, this will need developing with the Corporate Risk team as part of Business Continuity planning for IDS.

28. It was perceived that risks were not properly being identified with IDS and communicated. As explained

elsewhere in this report risks are reported quarterly on two specific risks. However more granular risk reporting may be appropriate.

29. Comments were made that the way information on new services and technologies being deployed was drip fed and that Insite toolkits were out of date, this will need picking up with Digital Change to ensure deployments of products and new technologies is improved to ensure the business are aware of new developments and have the knowledge and training to use them effectively.
30. It was identified that the relationship between the Business and IDS is too distant and needs improving to make the interface better. Work is underway on the new IDS structure which includes the Digital Change team which will work closely with the business to ensure they have the right support to achieve their digital ambitions.
31. It was also mentioned that IDS struggles with capacity and therefore is unable to achieve the outcomes required by business areas. This is recognised and is being addresses through augmenting IDS teams with technology partners in specific areas (PowerApps, Robotic Process Automation) and though offshoring to bring in technical staff to support teams.

# Statement of Assurance

32. Having undertaken the review of the system of internal control for Integrated Digital Services outlined in this statement the Director of Resources is satisfied that the arrangements are up to date and fit for purpose, that they are communicated and embedded and that they are routinely complied with.
33. The Chief Digital & Information Officer has identified the following opportunities for enhancement of the system of internal control for decision making and will implement these over the course of the 2023/24 municipal year.

## Opportunities for improvement

<b>Define and Document</b>	Complete work on documentation of key IDS Strategies.
<b>Clearly Communicate</b>	Complete the work on the Digital Communication Plan.
<b>Effectively Embed</b>	Complete work on the development of Digital Roadmaps.
<b>Meaningfully Monitor</b>	Review existing KPI's to ensure fit for purpose and add new ones if required. Review Quality Assurance arrangements for the service.
<b>Review and Refine</b>	Review how risks are identified and reported.

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## Internal Audit Update Report September to December 2022

Date: 06<sup>th</sup> February 2023

Report of: Chief Officer (Financial Services)

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief summary

This report provides a source of assurance that the internal control environment is operating as intended through a summary of the Internal Audit activity for the period from September to December 2022. The report highlights the incidence of any significant control failings or weaknesses.

The work of Internal Audit contributes to Leeds City Council achieving its key priorities by helping to promote a secure and robust internal control environment, which enables a focus on accomplishing the key priorities and Best City Ambition.

### Recommendations

The Corporate Governance and Audit Committee is asked to

- a) receive the Internal Audit Update Report covering the period from September to December 2022 and note the work undertaken by Internal Audit during the period covered by the report.
- b) note that there have been no limitations in scope and nothing has arisen to compromise the independence of Internal Audit during the reporting period.
- c) receive the report providing information relating to the Monitoring of Urgent Decisions covering the period September to December 2022.
- d) receive the Internal Audit Data Analytics Strategy 2022/25.

## What is this report about?

- 1 The Corporate Governance and Audit Committee has responsibility for reviewing the adequacy of the Council's corporate governance arrangements, including matters such as internal control and risk management. The Committee also considers the Council's arrangements relating to internal audit requirements, including monitoring the performance of Internal Audit.
- 2 This report provides the Committee with a summary of the Internal Audit activity for the period September to December 2022. The work of Internal Audit offers a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.
- 3 The report also includes information relating to the monitoring of urgent decisions which is included to enable timely consideration of these matters by Committee.

### Head of Internal Audit Opinion

- 4 The Head of Internal Audit must deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 5 Based on the audit work undertaken in the period, an overall adequate assurance opinion is considered to be appropriate. A summary of our quarterly opinions for the year to date is as follows:

	Update 1	Update 2	Update 3	Update 4
Assurance Opinion	Adequate	Adequate	Adequate	

- 6 Consideration of our overall opinion takes the following into account:
  - results from the substantive audit assignments we have completed during the period;
  - outcomes from our audit work not producing an assurance opinion;
  - an assessment as to the timely implementation of internal audit report management actions.

### Internal Audit Data Analytics Strategy 2022/25

- 7 Data is a key asset in supporting the council to deliver the best possible services. Leeds City Council is a data rich organisation and, as such, Internal Audit is continually considering how data analytics can add value to our role in providing risk-based assurance, advice, and insight. We have developed a Data Analytics Strategy covering the period 2022/25. This strategy outlines our vision, aims and key areas of focus for data analytics to assist with the delivery of the internal audit plan. Our ambition is to continually improve our use of data analytics, expanding our coverage, adapting to new risks, and embracing new techniques and technologies to deliver our objectives.

## What impact will this proposal have?

- 8 This report provides a source of assurance that the internal control environment is operating as intended. The report highlights the incidence of any significant control failings or weaknesses that would require the intervention of the Committee.
- 9 The work of Internal Audit contributes towards Leeds City Council achieving its key priorities and Best City Ambition.

## How does this proposal impact the three pillars of the Best City Ambition?

10 The Internal Audit Plan provides assurances that span a range of themes including coverage across the council's three Key Pillars.

### What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

11 The Internal Audit Plan is developed in consultation with Members and senior management across the authority. Consultation around key risks and priorities continues throughout the year, and continual engagement with directorates is driven through the ongoing completion of audit assignments and the agreement of the associated recommendations.

### What are the resource implications?

12 The Internal Audit Plan includes a number of reviews that evaluate the effective use of resources and provide assurance on the corresponding financial governance, risk management and internal control arrangements.

13 The Internal Audit Update Report also provides the Committee with assurances around the effective use of Internal Audit resources through information pertaining to the delivery and completion of the annual plan.

### What are the key risks and how are they being managed?

14 The Internal Audit Plan is subject to review throughout the financial year to ensure that audit resources are prioritised and directed towards the areas of highest risk. This process involves the review of information from a number of sources including the corporate and directorate risk registers.

15 The risks relating to the achievement of the Internal Audit Plan are managed through ongoing monitoring of performance and resource levels. This information is reported to the Committee.

16 There is a risk that our audit arrangements fail to identify a major control weakness in the council's systems and arrangements. This risk is managed through the Internal audit Plan being prioritised and directed towards the areas of highest risk. It is also managed through our quality assurance arrangements as outlined in Appendix B of this report.

### What are the legal implications?

17 The Chief Officer (Financial Services), as the council's Section 151 Officer, is responsible under the Local Government Act 1972, for ensuring that there are arrangements in place for the proper administration of the authority's financial affairs. The work of Internal Audit is an important source of information for the Chief Officer (Financial Services) in exercising her responsibility for financial administration.

18 The Public Sector Internal Audit Standards (PSIAS) require the Head of Audit to deliver an annual audit opinion and report that can be used by the council to inform its Annual Governance Statement. Each Internal Audit Update Report will provide a rolling quarterly opinion that will feed into the Internal Audit Annual Report and Opinion.

19 The Internal Audit Plan includes a number of reviews that provide assurances around the application of the statutory and constitutional framework.

## **Options, timescales and measuring success**

### **What other options were considered?**

20 The work of Internal Audit provides a key source of assurance to the Committee. Additional assurances are obtained through a range of further reports presented to the Committee throughout the year.

### **How will success be measured?**

21 Success can be measured through the delivery of the Internal Audit Annual Report and Opinion. Each quarterly update report will provide a rolling quarterly opinion that will reflect the work completed during the period.

22 Further performance measures and drivers are under continual review to ensure that relevant performance information is reported to the Committee throughout the year.

### **What is the timetable and who will be responsible for implementation?**

23 The Internal Audit Plan is in place and is approved annually by the Committee. The Head of Audit is responsible for delivery of the plan.

## **Appendices**

- A – Internal Audit Update Report – Assurance and Consulting Activities September – December 2022
- B – Internal Audit Update Report – Quality and Performance September – December 2022
- C – Monitoring of Urgent Decisions September – December 2022
- D – Internal Audit Data Analytics Strategy 2022/25

## **Background papers**

- None





## **Appendix A**

### **Leeds City Council**

# **Internal Audit Update Report – Assurance and Consulting Activities**

**Corporate Governance and Audit Committee**

**6<sup>th</sup> February 2023**

## INTERNAL AUDIT UPDATE REPORT 2022/23

1<sup>ST</sup> September 2022 to 31<sup>ST</sup> December 2022

### 1 Purpose of this report

- 1.1 This report provides the Committee with a summary of the work completed by Internal Audit during the period from 1<sup>st</sup> September 2022 to 31<sup>st</sup> December 2022. The work of Internal Audit offers a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.

### 2 Internal Audit Plan Progress

- 2.1 The work of Internal Audit is directed by the annual Internal Audit Annual Plan. This has been developed in line with the Public Sector Internal Audit Standards (PSIAS) and has been reviewed and approved by the Committee.
- 2.2 Throughout the audit year we will develop our Annual Assurance Opinion based upon:
- Work carried over from the previous year.
  - Work contained within the 2022/23 Internal Audit Plan that was approved by the Committee in March 2022.
  - Unplanned work undertaken in response to emerging risks and priorities.

### 3 Changes to the 2022/23 Internal Audit Plan

- 3.1 At the beginning of the year provision is made in the allocation of audit resources for unplanned work, through a contingency. As requests for audit work are received, or more time is required for jobs or changes in priorities are identified, time is allocated from this contingency. As risks and priorities change throughout the year, we may also alter the profile of the plan to ensure attention is focussed on areas of the highest risk in the most efficient and effective way. Our quarterly reports will provide the Committee with details of audits that have been deferred, added to or deleted from the audit plan, as agreed in conjunction with management. Below is a summary of material changes that have been made to the 2022/23 Internal Audit plan to date. Schools are excluded from this information due to the dynamic nature of this area of the plan.

Directorate/Service	Audit Assignment Title	Deferred / Added / Removed
Directorate Risks – Adults & Health	Adults & Health – Promoting Independence	<b>Added</b> – This is part of the transformation agenda within Adults & Health. Our work will involve attendance at the programme board.
Directorate Risks – Adults & Health	Adults & Health – Care Reform October 2023	<b>Added</b> – This is part of the transformation agenda within Adults & Health. Our work will involve attendance at the programme board overseeing developments required by the Health and Care Act 2022.
Directorate Risks – Adults & Health	Adults & Health – CQC Quality Assurance	<b>Added</b> – This is part of the transformation agenda within Adults & Health. Our work will involve attendance at the group set up to develop the quality assurance framework being implemented to support the new CQC inspection regime.
Directorate Risks – Children & Families	External Residential Placements	<b>Added</b> – This will review the process for placing Children Looked After in residential placements outside of the Leeds area to provide assurance that that the most appropriate setting has been made to meet the needs of the individual whilst also achieving Value for Money for the Council
Finance & Key Financial Systems	Orders & Invoice Processing	<b>Added</b> – Work will be undertaken to look at how the arrangements in place for order and invoice processing are working in areas identified as particularly high risk. The time taken to complete this work will be taken from the Financial Challenge area of the 2022/23 plan and will be used to contribute directly to assurances in this area.

Directorate/Service	Audit Assignment Title	Deferred / Added / Removed
Procurement	Scaffolding Contract Review	<b>Added</b> – This area has been selected following a recent risk assessment and will form part of Contract Management work detailed within the 2022/23 plan.
Directorate Risks – Adults & Health	Telecare	<b>Deferred</b> – There have been delays within the service in implementing the new packages and processes. This has been deferred for consideration for inclusion in the 2023/24 plan to allow time for the processes to embed.  Some assurance over this process has been gained through the inclusion of this work within the Income Recovery project attended by Internal Audit (refer to the other work section).
ICT and Information Governance	Digital Road Maps	<b>Deferred</b> - This relates to the ongoing work being done on IDS governance and the support being provided to the Portfolio Management Office. To defer for consideration for inclusion in the 2023/24 plan.
Directorate Risks – Children & Families	Little Owls Commercial Review	<b>Removed</b> – This time was to provide support to the project being set up to review Little Owls. This has been superseded by the Task & Finish group set up by the Chief Officer – Financial Services.  Proposals have been taken to the Executive Board in December 2022. We will consider this as an area for review in the 2023/24 internal audit plan.

Directorate/Service	Audit Assignment Title	Deferred / Added / Removed
Other Directorate Risks – City Development	Highways DLO	<b>Removed</b> – The service is undertaking their own work in this area and outcomes are to be reported to the Chief Officer in January 2023. We will consider this as an area for review in the 2023/24 internal audit plan.

#### 4 Final Internal Audit reports issued

- 4.1 We have issued 26 audit reports during the period from 1<sup>st</sup> September 2022 to 31<sup>st</sup> December 2022.
- 4.2 Depending on the type of audit review undertaken, an assurance opinion may be assigned for the control environment, compliance, and organisational impact. The control environment opinion is the result of an assessment of the controls in place to mitigate the risk of the objectives of the system under review not being achieved. A compliance opinion provides assurance on the extent to which the controls are being complied with. Assurance opinion levels for the control environment and compliance are categorised as follows: substantial (highest level); good; acceptable; limited and no assurance.
- 4.3 Organisational impact is reported as either: major, moderate, or minor depending on the severity of the issues identified within the audit. Any reports issued with a major organisational impact will be reported to the Corporate Leadership Team along with the relevant directorate's agreed action plan.
- 4.4 The following table provides a summary of the reports issued during the period from 1<sup>st</sup> September 2022 to 31<sup>st</sup> December 2022 along with the assurances provided where applicable.

Report Title	Audit Opinion			Assurance Themes
	Control Environment Assurance	Compliance Assurance	Organisational Impact	
<b>Finance and Key Financial Systems</b>				
Treasury Management	Substantial	Substantial	Minor	Financial Management, Performance Management, Legislative / Regulatory Compliance, Governance & Decision Making, Risk & Resilience, Value for Money, Anti-Fraud and Corruption
FMS Creditor Purchase and Payment; Central and Directorate Processes	Substantial	Good	Minor	Financial Management, Performance Management, Business Innovation and Development, Legislative / Regulatory Compliance, Anti-Fraud and Corruption
Capital Programme Central Controls	Substantial	N/A	Minor	Financial Management, Governance & Decision Making, Anti-Fraud and Corruption
<b>Other Directorate Risks – City Development</b>				
High Value Stock Management	Acceptable	N/A	Minor	Asset Management, Financial Management
Transforming Cities Fund	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption
Active Travel Fund	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption
Getting Building Fund	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption
West Yorkshire Plus Transport Fund	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption

Report Title	Audit Opinion			Assurance Themes
	Control Environment Assurance	Compliance Assurance	Organisational Impact	
Bus Operators Grant	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption
National Productivity Investment Fund Specific Grant Determination Cycle Superhighway	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption
Growth Deal	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption
Active Travel Fund	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption
<b>Other Directorate Risks – Communities, Housing &amp; Environments</b>				
Disabled Facilities Grant 2021/22	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption
Green Homes Grant	N/A certification of grant claim			Financial Management, Anti-Fraud and Corruption
<b>Other Directorate Risks – Resources</b>				
Employee Outside Interests	Acceptable	N/A	Moderate	Human Resources, Legislative / Regulatory Compliance, Governance & Decision Making, Risk and Resilience, Ethics and Culture, Anti-Fraud and Corruption, Financial Management, Value for Money

Report Title	Audit Opinion			Assurance Themes
	Control Environment Assurance	Compliance Assurance	Organisational Impact	
HR Recruitment & Selection – Employee Outside Interests	N/A - Memo			Human Resources, Legislative / Regulatory Compliance, Governance & Decision Making, Risk and Resilience, Ethics and Culture, Anti-Fraud and Corruption, Financial Management, Value for Money
<b>Procurement</b>				
Semi Independent Living Contract Review	Acceptable	N/A	Minor	Performance Management, Risk and Resilience, Financial Management, Procurement, Contracts and Commissioning, Social Value, Anti-Fraud and Corruption, Value for Money, Governance and Decision Making, Legislative / Regulatory Compliance
<b>Schools</b>				
School Voluntary Fund x 7	N/A certification of account balances			Financial Management
Primary School Audit 1	Acceptable	Limited	N/A	Financial Management, Anti-Fraud and Corruption, Risk and Resilience, Governance & Decision Making.
Primary School Audit 2	Acceptable	Limited	N/A	Financial Management, Anti-Fraud and Corruption, Risk and Resilience, Governance & Decision Making.



## 5 Summary of Audit Activity and Key Issues

- 5.1 During the reporting period, there have been no limitations to the scope, and nothing has arisen to compromise our independence.

### Limited or No Assurance Opinions

- 5.2 Of the audit reviews finalised during the period, no weaknesses have been identified that would result in “major” organisational impact and no reviews have been issued with no assurance opinions.
- 5.3 Two primary school audits resulted in a limited opinion being provided for compliance with controls. In both schools the main weaknesses were around compliance with procedures for creditor payments and the management of the school voluntary fund, and in one school there were also weaknesses found with payroll procedures. Schools finance referred one of these schools for consideration in our risk based plan due to concerns they had, and a Headteacher at another school sought an audit due to concerns they had. The Headteachers at both schools agreed to implement all the recommendations raised during the audits and the implementation of these will be reviewed as part of follow up audits in 2023/24.

### Follow Up

- 5.4 Our protocols specify that we undertake a follow up review where we have previously reported “limited” or “no” assurance for the audited area. We have not completed any follow up audits during the period.

## 6 Recommendation Tracking

- 6.1 As discussed with the committee over the course of the last year we have been introducing a new process aimed at tracking the implementation of high and medium priority recommendations raised within our audit reports. This work is key to helping us understand where controls have been strengthened following our audits and also highlighting areas where we may want to re-visit the activity to ensure actions are being progressed appropriately. Below is a table that shows the number of high and medium priority recommendations raised within each Assurance Block since the start of 2021/22, and the progress that has been recorded against these.
- 6.2 Members have requested indicative information on how long recommendations had been overdue. We are currently evaluating ways of risk rating recommendations that would provide meaningful reporting to the committee. We will update the committee on our progress in this area.

Assurance Block	High & Medium Priority Recommendations				
	Total Number	Number Implemented / Closed	Open Recommendations		
			Number Overdue (Brackets indicate recorded as in progress)	Number Not due yet (Brackets indicate recorded as in progress)	% recorded as in progress
Children & Families	9	7	2(0)	0	0%
Procurement	18	18	0	0	N/A
Adults & Health	10	7	0	3 (0)	0%
Communities, Housing & Environment	40	24	16 (7)	0	44%
City Development	7	2	3 (3)	2 (2)	100%
ICT and Information Governance	9	4	2 (2)	3 (3)	100%
Finance & Key Financial Systems	30	14	11 (8)	5 (0)	50%
Resources	26	7	5 (2)	14 (7)	47%
Schools	92	66	15 (1)	11 (0)	4%

- 6.3 The onus is on directorate and service leads to update the trackers and ensure we have accurate information to analyse and report on. It is important to note that we continue to embed the process within the service and directorates. We are proactively obtaining feedback and continuing to use this in the ongoing development of the process. Where it appears that recommendations are yet to be actioned this may be a reflection of the fact that the process for updating the trackers is still being embedded rather than necessarily indicating that the action hasn't been implemented. We expect that we will be able to see improvements in engagement across all areas as the process continues to take shape, and we will be looking to introduce a sample checking process in the future.

## 7 Other Audit Work

Audit Work Completed	Details	Contribution to assurance
Children and Families – Families First Grant Validation	Grant claim validation work carried out to support the Directorate.	We were able to confirm the validity of the claim. The work contributes to assurances in respect of financial management and governance.
Core Business Transformation – Work Packages	Provision of support to various work streams within Financial Services that have been set up to ensure that working practices are fit for purpose and in preparation for the introduction of the new core system.	We have continued to work alongside financial services on the continuing development and evolution of a range of financial dashboards. The work contributes across a range of assurances including financial management and control, risk management, governance and decision making and business innovation.
Core Business Transformation – Programme Assurance	Ongoing work to provide review, advice and challenge to the Programme Board including oversight and advice around risk and contract management.	We have continued to provide assurance in respect of the procurement and risk management process including the provision of regular reports to the Programme Board. The work contributes across a range of assurances including financial management and control, risk management, governance and decision making, programme management and contracts and procurement.
Contracts Procedure Rules Review	Contribution to the regular review of the council's Contracts Procedure Rules.	We have continued to work with PACS looking at the ongoing development of user-friendly and proportionate Contracts Procedure Rules. This work is vital to ensuring that arrangements are in place to support the authority in meeting legal and regulatory requirements.

Audit Work Completed	Details	Contribution to assurance
Financial Regulations Review	Consultation on the review of the council's Financial Regulations.	We have carried out work to contribute to the ongoing review of Financial Regulations including issues relating to content and ownership. The work is important in providing assurance and oversight in respect of key areas of the financial control environment.
General audit queries and advice issued	Over the course of the recent period, we have received and responded to a number of queries and requests for advice from departments and service areas. These have covered a range of themes and areas, with a significant number relating to financial controls and decisions in schools.	The work contributes to assurance in a range of areas, in particular governance and decision making and financial control. The dialogue with service areas demonstrates how respected and valued the Internal Audit service is. It also provides a level of procedural oversight and a source of intelligence to feed into the audit planning process.
Income Recovery Board	Attendance at the Adults & Health Programme Board overseeing various ongoing developments looking at maximising client contributions.	We provide a check and challenge role to support the service and ensure that potential risks and control weaknesses are highlighted and considered in the service redesign.
Adults & Health Budget Review Group	Attendance at a group within Adults & Health that has been set up to monitor progress in the achievement of Budget Action Plans.	This provides us with valuable oversight of progress against Budget Action Plans within the directorate, including the agreement of actions taken where risks to delivery are identified.
Information Governance Policy Review Group	Attendance at a group set up to review existing information governance policies and protocols.	This enables us to provide support and advice around the policies under review, also offering valuable oversight around the risk management process.
Adults & Health Transformation Programme	Attendance at groups within Adults & Health that have been set up to deliver a key area of transformation for the service.	We provide a check and challenge role to support the service and ensure that potential risks and control weaknesses are highlighted and considered in the service redesign.

Audit Work Completed	Details	Contribution to assurance
Adults & Health Care Reform	Attendance at the programme board overseeing developments required by the Health and Care Act 2022	We provide a check and challenge role to support the service and ensure that potential risks and control weaknesses are highlighted and considered in the service design.
Project Management	Ongoing work to provide support and challenge to the service in the development in the new arrangements for the management of ICT projects.	We have worked alongside IDS on the development of the new arrangements for managing programmes and projects. The work contributes across a range of assurances including project and programme management, governance and decision making and business innovation.

## 8 Other Audit Activities

Audit Activity	Description
Client Liaison Activities	Provision of professional advice to officers, including client liaison activities that promote the work of Internal Audit, and to reinforce the importance of robust controls and good governance.
Board, committee and working group attendance	Attendance at various boards, committees and working groups including Directorate and Service Leadership Teams.
Corporate Governance and Audit Committee support	Drafting reports and attending meetings of the Corporate Governance and Audit Committee. Responding to member queries.
Audit and Risk Updates	Regular meetings between the Head of Audit and the Intelligence and Policy Service to share information around a number of areas that contribute to the risk management process.

## 9 Work in Progress

9.1 The following table provides a summary of audits in progress at the time of producing this report:

Assurance Block/ Audit Assignment	Fieldwork in Progress	Draft Report	Finalisation
Adults & Health – Debt Recovery		✓	
Adults & Health – Deputy & Appointeeships		✓	
Children & Families – Special Educational Needs Follow Up	✓		
Children & Families – No Recourse to Public Funds Follow Up	✓		
ICT & Information Governance – Privileged User Access Follow Up			✓
ICT & Information Governance – Data Management			✓
Procurement – Management of Off-Contract Expenditure in Parks and Countryside			✓
Housing – Rents			✓
Other Directorate Risks – Management of post-covid service backlogs	✓		
Other Directorate Risks – Application of HR Policies – Organisational Culture			✓
Other Directorate Risks – Business Continuity	✓		
Other Directorate Risks – Risk Management	✓		
Other Directorate Risks - Homes of Multiple Occupancy	✓		

Assurance Block/ Audit Assignment	Fieldwork in Progress	Draft Report	Finalisation
Other Directorate Risks – Supported Living Accommodation	✓		
Finance and Key Financial Systems – Budget Monitoring and Control	✓		
Finance and Key Financial Systems – Income Management System	✓		
Finance and Key Financial Systems – Orders & Invoice Processing	✓		
Finance and Key Financial Systems – Connect	✓		
Primary school audit			✓
High school audit	✓		
School Voluntary Fund Audits x 3	✓		

## 10 Counter Fraud and Investigations

- 10.1 The Corporate Governance and Audit Committee receives a separate report summarising the general activities and work plan of the Internal Audit Counter Fraud Team, including both proactive work and fraud and irregularity investigations undertaken.

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## **Appendix B**

### **Leeds City Council**

# **Internal Audit Update Report – Quality and Performance**

**Corporate Governance and Audit Committee**

**6<sup>th</sup> February 2023**

## INTERNAL AUDIT UPDATE REPORT 2022/23

1<sup>ST</sup> September 2022 to 31<sup>ST</sup> December 2022

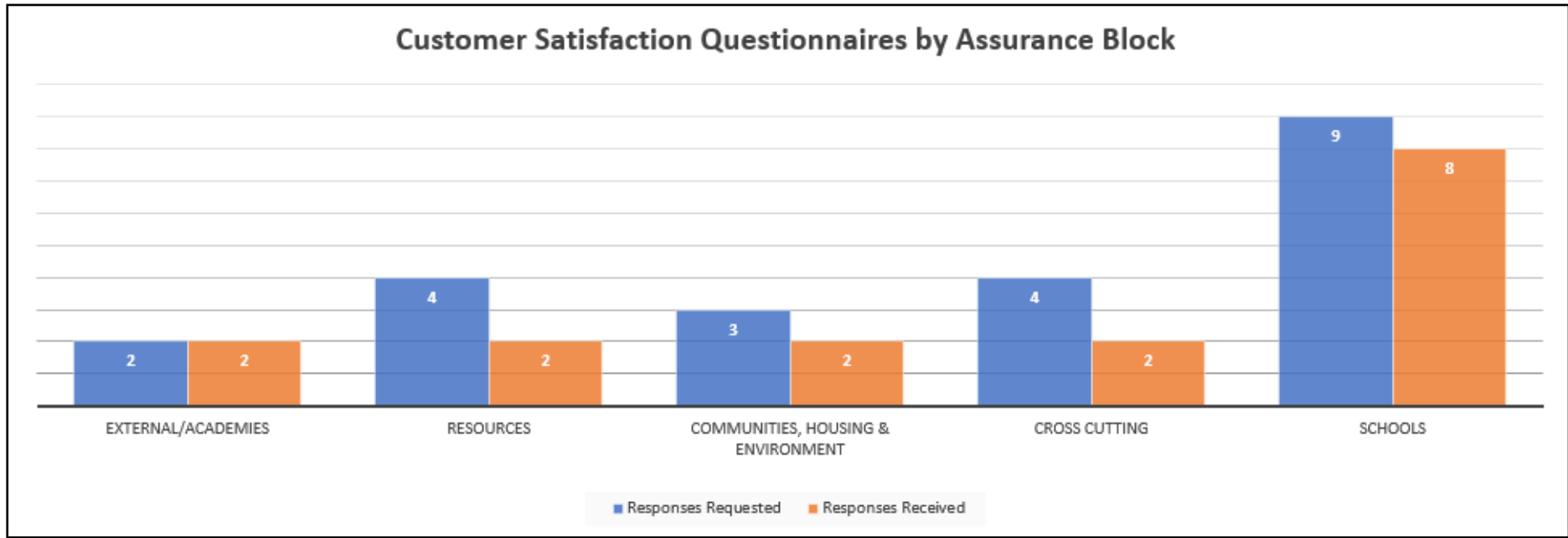
### 1 Purpose of this report

- 1.1 This report provides the Committee with a summary on the various activities that provide assurance on the performance and quality of our work along with the continuous improvement of the section.

### 2 Internal Audit Performance

#### *Feedback*

- 2.1 We actively monitor our performance in a number of areas and encourage feedback. A customer satisfaction questionnaire (CSQ) is issued with every audit report. The questionnaires ask for the auditee's opinion on a range of issues and ask for an assessment ranging from 5 (for excellent) to 1 (for poor). The results are presented as an average of the scores received for each question.
- 2.2 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.
- 2.3 In response to member feedback, we have continued to look at ways of maximising CSQ feedback. We now have a fixed deadline by which we would expect feedback to be returned, and we have implemented a chasing process where this is not the case. We have also been looking at the way in which the information is reported.
- 2.4 We are now reporting on the number of CSQs that have been issued and returned within the specific period. For the period from 1<sup>st</sup> September 2022 to 31<sup>st</sup> December 2022 we have issued a total of 22 Customer Satisfaction Questionnaires and received 16 completed returns at a response rate of 73% in the period.



2.5 Below is a summary of comments we have received from services that have completed the CSQs.

“The auditor was challenging with his questions which was great for my first time being the lead on the area. He has made me question why we do things and have given me ideas on how I can improve our reporting by being more accurate and more accountable”.

“The auditors were very efficient, and managed their required work effectively, and liaised with me regularly / daily to keep me updated on progress and to resolve any queries / issues, to ensure that together we eventually met the agreed completion deadline date”.

“The audit was efficient and constructive. Eleanor offered advice on queries raised and provided guidance on streamlining our processes”.

2.6 A summary of the scores is presented in the table below.

Question	Average Score (out of 5)	Max Value	Min Value
Sufficient notice was given	5.00	5.00	5.00
Level of consultation on scope	4.80	5.00	4.00
Auditor's understanding of systems	4.44	5.00	3.00
Audit was undertaken efficiently	4.31	5.00	1.00
Level of consultation during the audit	4.80	5.00	4.00
Audit carried out professionally and objectively	4.75	5.00	3.00
Accuracy of draft report	4.57	5.00	4.00
Opportunity to comment on audit findings	5.00	5.00	5.00
Clarity and conciseness of final report	4.57	5.00	4.00
Prompt issue of final report	4.69	5.00	3.00
Audit recommendations will improve control	4.67	5.00	4.00
The audit was constructive and added value	4.56	5.00	3.00
<b>Overall Average Score</b>	<b>4.68</b>		

### 3 Quality Assurance

- 3.1 Internal Audit work is undertaken in accordance with internal quality procedures incorporated in the quality management system, which has been ISO (International Organisation for Standardisation) certified since 1998. In November 2022 following the external assessment our ISO Quality Management System certification was renewed. This provides assurance that our quality management system continues to meet the requirements of the ISO (9001:2015) standard and is demonstrating continual improvement.
- 3.2 We have established Quality Assurance procedures within the Internal Audit team. This includes a Quality and Operational Review Group (QORG) that meet to identify and champion improvements in performance and working practices. As part of this process, the Quality Assurance and Improvement Programme (QAIP), which is a requirement of the Public Sector Internal Audit Standards, is in place to bring together our commitment to continually reviewing and improving the way we deliver our internal audit service and embed our quality system.

Action	Timescale and Status
Assurance mapping will continue to be developed to support the annual audit planning process.	Ongoing – this work is being taken forward and being developed through our annual audit planning process ahead of being rolled out across the teams.
Internal Audit Performance Monitoring – internal performance measures, including KPIs, have been reviewed to support and drive completion of the annual audit plan.	Ongoing – Further work is being undertaken with the aim of producing additional performance monitoring information for the committee.
Internal Audit Reporting Protocols – to update and streamline directorate reporting protocols to drive timely completion of audit reports.	Ongoing – We are continuing to look at the most effective ways of developing and embedding our up-to-date audit protocols.
Internal Audit Technical Manual – to review and update the technical manual as a means of promoting auditing best practice across the team.	Complete – The technical manual has now been reviewed approved.

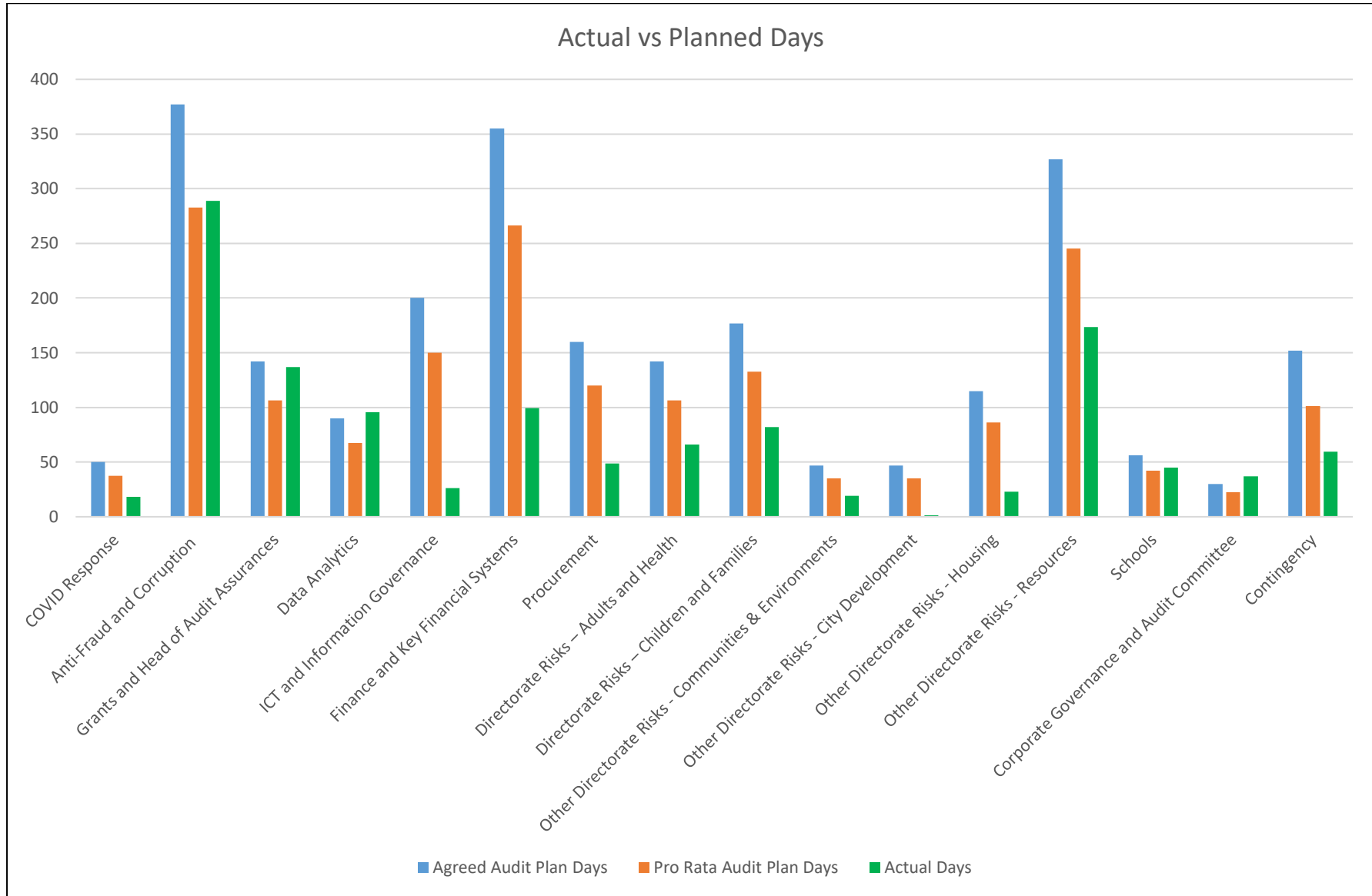
Action	Timescale and Status
Internal Training Programme – to identify and address relevant training areas across the team.	Substantially complete – A Staff Skills Matrix has been developed and an action plan has been agreed. This will address any areas for development within the Internal Audit team.
Customer Satisfaction Questionnaires – continuing process review	Ongoing – We continue to look at ways of encouraging and maximising feedback and presenting useful information to the committee.
Automation of the recommendation tracking process – to create an automated process for gathering data on the audit recommendation trackers for each assurance area.	Ongoing – Work has begun on the creation of an automated audit recommendation tracking process that will lessen the administrative burden that exists currently to collate recommendation tracking data.

### *Performance*

- 3.3 We continue to manage our available resources to direct these towards the highest areas of risk to ensure that an evidence-based Head of Internal Audit opinion can be provided on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control in accordance with the PSIAS.
- 3.4 As we continue to develop and refine our key performance indicators, we will look to incorporate further performance information to demonstrate the effective use of our resources.

## **4 Internal Audit Productivity**

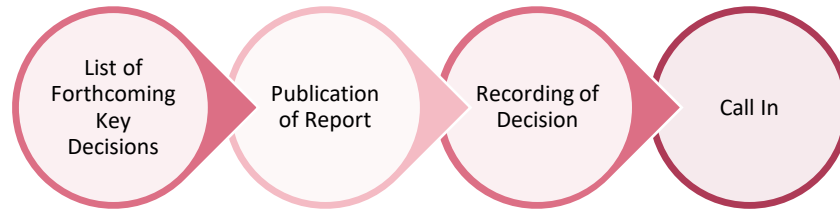
- 4.1 The bar chart below provides a comparison of agreed audit plan days against the days that have been used so far in the 2022/23 Internal Audit plan.



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# Appendix C - Monitoring of Urgent Decisions



The information below updates Corporate Governance and Audit Committee on the ongoing monitoring of the decision making framework and will support the assurances set out in the annual assurance report on the decision making framework.

## The List of Forthcoming Key Decisions (LOFKD)

1. This is the mechanism by which publicity is provided in connection with key decisions in accordance with the requirements set out in the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. (“The Executive Arrangements Regulations”)
2. In line with requirements the Executive and Decision Making Procedure Rules provide that all potential key decisions must be published to the LOFKD (and a link circulated to all Members) not less than 28 days before the decision is taken unless:
  - The decision fits the statutory General Exception (GE) – in which case notice will be published 5 clear days in advance of the decision being taken (and circulated to all Members); or
  - The decision fits the statutory criteria for Special Urgency (SU) – in which case the relevant Scrutiny Chair will be asked to agree that the decision is urgent and cannot be delayed.
3. Reflecting the statutory exemptions, a performance indicator of 95% of all key decisions should be published to the LOFKD not less than 28 clear calendar days before the decision is taken.

In the period from September to December 2022, 53 of 58 or 91% of all key decisions were included in the LOFKD.

37 of 40 (93%) key decisions taken by officers in the reporting period were included in the LOFKD.

16 of 18 (89%) key decisions taken by Executive Board were included in the LOFKD.

2 decisions not included in the LOFKD were treated as General Exception and 3 decisions were treated as Special Urgency.

4. Each key decision not included in the LOFKD for the required 28 day period, was taken under the appropriate conditions for either the general exception or special urgency. The reasons for treating these decisions as general exception or special urgency are set out in the table below.

## Publication of Report

5. Publication of a decision report enables both elected Members and the public to see and consider the rationale for a key decision before that decision is taken.
6. There is no statutory requirement to publish reports in relation to officer decisions in advance of those decisions being taken. However, the Executive and Decision Making Procedure Rules provide for a local (non-statutory) requirement that a report in support of a key decision is published five clear working days before that decision is taken by an officer.
7. The rules allow for the late publication of reports in relation to key decisions with the approval of the relevant Executive Member.
8. Corporate Governance and Audit Committee must receive an annual report giving details of any officer key decisions taken at short notice in this way.

In the period from September to December 22, 39 of 40 key decisions taken by officers (98%) were supported by reports which were published five clear working days in advance of the decision being taken.

9. The key decision, which was subject to short notice publication, was taken under the appropriate conditions as set out in the constitution. The reason for publishing this decision at short notice is set out in the table below.

## Recording of Decision

10. Recording of decisions ensures that those decisions are open and transparent, and that the relevant decision maker can be held to account.
11. Regulation 13 of the Executive Arrangements Regulations, and (in relation to non-executive functions) Regulation 7 of the Openness of Local Government Bodies Regulations 2014 require a written record to be published in respect of decisions taken by officers. Arrangements set out in the Executive and Decision Making Procedure Rules, and Access to Information Procedure Rules respectively, require publication of key and significant operational decisions as soon as reasonably practicable after those decisions are taken.

In the period from September to December 2022, 325 decisions were published with the following distribution:

	Executive Board	Officers	Total
Key	18	40	58
SOD	26	240	266
Total	44	280	324

## Call In

12. Section 9F of the Local Government Act 2000 requires that executive arrangements by a local authority include the provision for appointment of one or more Overview and Scrutiny Committees with, inter alia, power to review or scrutinise decisions which have been taken by the executive but not yet implemented. These are known as Call In arrangements and are set locally.
13. Part 5 of the Executive and Decision Making Procedure Rules sets out the call in arrangements adopted by Leeds City Council. Rule 5.1.2 sets out details of those decisions which are eligible for call in, and rule 5.1.3 provides that eligible decisions may be exempted from call in where the decision is urgent because any delay would seriously prejudice the Council's or the public's interests.
14. A performance indicator has been set with a target of 95% of all eligible decisions to be available for Call In.

In the period from September to December 2022, 95% of all eligible decisions were available for Call In.

Officer Decisions: - 40 of the 40 key decisions taken in the reporting period were eligible for call in; of which 3 (8%) were exempted from Call In. A total of 37 (93%) eligible decisions taken by officers were available for Call In.

Executive Board Decisions: 41 of 44 decisions taken in the reporting period were eligible for call in; of which 1 (2%) was exempted from Call In. A total of 40 (98%) eligible decisions were available for Call In.

15. Each eligible decision not available for call in was subject to a decision to exempt it taken by the relevant decision maker. Reasons for exemption are set out in the tables below.

## Use of Call In

16. One decision was subject to Call In proceedings during the period. The Executive Board decision - Taxi & Private Hire Licensing – Results of consultation on suitability (minor motoring convictions) (minute 43) was released for implementation by Scrutiny Board (Strategy and Resources) on 7<sup>th</sup> October 2022.

## Decisions Not Treated as Key

17. Regulation 18 of the Executive Arrangements Regulations requires that a relevant Scrutiny committee may require the executive to report to Council if a key decision has not been treated as key.

During the reporting period 0 decisions have been referred to a Scrutiny Board as wrongly treated.

## Decisions Taken Under Urgency Provisions

18. Decisions taken under urgency provisions (general exception or special urgency; short notice reporting; and exemption from call in) are both lawful and constitutional providing they meet the requirements in relation to approvals and notice set out in the relevant Executive and Decision Making

Procedure Rule. Having reviewed each of the decisions taken under urgency provisions during the reporting period the Chief Officer Financial Services is satisfied that all decisions have been taken in accordance with the relevant requirements.

19. The tables below set out details of each of those key decisions taken at short notice, or which have been exempted from Call In, together with a summary of the reason for urgency in each case.

<b>Meaningfully Monitor : Officer Key decisions taken under urgency procedures</b>					
Month	DDN	Director	GE / SU	Call In	Title of decision Reason for urgency
Sept 2022	D55613	Director of Resources	GE	Exempt	<b>New 3 year Server Cloud Enrolment agreement with Microsoft</b> Not added to List of Forthcoming Key Decisions as result of administrative error. Decision time sensitive to ensure licences did not expire and key council systems continued working.
Oct 2022	D55742	Director of Adults and Health	SU	Exempt	<b>Supporting Hospital Social Work</b> Decision taken under emergency planning arrangements to create capacity and improve system flow in light of projected increase in Covid rates and incidence of flu.
Nov 2022	D55786	Director of Children and Families	SU	Exempt	<b>Youth Justice Service Turnaround Grant</b> Under the terms of the grant, the signed conditions must be returned by the 14th November 2022 in order to access funding.

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<b>Meaningfully Monitor - Executive Board decisions taken under urgency procedures</b>					
Month	Minute	Director	GE / SU	Call In	Title of decision Reason for urgency
Sept 2022	38	Director of City Development	SU	Exempt	<b>Bid to Host the Eurovision Song Contest 2023</b> Decision urgent to meet short timescales of the bidding process and bid submission deadline.
Sept 2022	46	Director of City Development		Not eligible	<b>Local Plan Update 1 (Publication Draft)</b> Decision being made in accordance with the Budget and Policy Framework Procedure Rules.
Dec 2022	91A	Chief Officer, Financial Services		Not eligible	<b>(7A) Proposed Budget for 2023/24 and Provisional Budgets for 2024/25 and 2025/26</b>

					Matters referred to within this Minute No. 91(A) (a), (b) and (c), given that these were decisions being made in accordance with the Budget and Policy Framework Procedure Rules were not eligible for Call In. However, Minute No. 91(A) (d) and 91(B) (a) - (d) were eligible and available for Call In.
Dec 2022	97	Director of City Development		Not eligible	<b>Further main modifications to the remitted Leeds site allocation plan.</b> Decision being made in accordance with the Budget and Policy Framework Procedure Rules.
Dec 2022	99	Director of Resources	GE		<b>Development of Solar Farm Capacity</b> Added to List of Forthcoming Key Decisions for 26 days as result of administrative error. A decision in principle to develop the solar farms was urgently required, to ensure procurement processes could begin without delay, given the time pressures arising from the current energy crisis.

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# Internal Audit

## Data Analytics Strategy 2022/25

Date: November 2022



## Executive Summary

Data is a key asset in supporting the council to deliver the best possible services. Given internal audit's role in adding value and improving the organisation's operations, we can use data analytics extensively to assist in achieving these objectives.

As a council we are data rich and internal audit has tools at our disposal to provide assurance and insight efficiently and effectively by utilising this data through considered planning, suitable resourcing, and appropriate time allocation.

Our ambition is to continually improve our use of data analytics, expanding our coverage, adapting to new risks, and embracing new techniques and technologies to deliver our objectives.

The aim of the strategy is to ensure we prioritise our areas of focus and use available data sources to their full potential. We have made improvements in our use of data over recent years, but we also recognise that further progress is achievable.

Data and analytics are constantly developing, and as a council we have a challenge of keeping up to date with this fast pace of development and innovation. It's important for us to look at how we can maximise the opportunities of the rapid improvement and use of technology and use new innovative ways of working to enable us to work smarter.

This strategy is the starting point to building a strong foundation for our data analytics ambition over future years.





## Introduction

Leeds City Council is a data rich organisation and, as such, Internal Audit is presented with opportunities to continually consider how data analytics can add value to our role in providing risk-based assurance, advice, and insight.

This strategy outlines our vision, aims and key areas of focus for data analytics to assist with the delivery of the internal audit plan.

The purpose of this Data Analytics Strategy is to:

- Set out the vision and aims integral to embedding data analysis within Internal Audit
- Evaluate our current position by undertaking a SWOT analysis and a data analytics maturity assessment
- Identify areas where data analysis can support the continued improvement of our service



## Vision

Our vision is to continually improve our use of data analytics to contribute to a dynamic internal audit service, providing assurance over key financial systems, responding to fraud risks, and supporting delivery of the audit plan.

The volume of digital data and availability of data analytics tools encourages a reconsideration not only of the traditional approach to audit sampling and testing, but at all stages of the audit life cycle (See Appendix A). Extending the use of data analytics within Internal Audit will:

- Contribute to greater challenge and assurance during individual audits and across the overall audit plan, as reviews of key processes and controls across the council become more continuous
- Increase opportunities to detect fraud, contributing to protecting the public purse and safeguarding the council's reputation
- Provide further insight into key emerging themes and risks to stakeholders across the organisation, including through visual illustrations of risks and underlying trends

Our vision will be realised through the achievement of our key aims which are outlined below and defined in the data analytics action plan, at page 8.



## Aims

- Work towards implementing a continuous programme of control effectiveness across key systems, highlighting and reviewing high risk events or transactions
- Provide greater assurance through delivering testing strategies that analyse full transactional populations, rather than sampling, wherever possible
- Ensure that systems in use and data available is considered at the scoping stage of every audit and documented in a central repository, maximising data analytics potential within audits and building a comprehensive understanding of the council's full data architecture
- Be more proactive in fraud detection through data analytics, working with our experienced counter-fraud team to establish and maintain a suite of indicators which can be monitored through exception reporting
- Respond to new or emerging fraud risks quickly, engaging with available data to develop monitoring activities for areas at risk
- Continue to deliver efficient analysis on an ad hoc basis to requests from stakeholders, assessing each on merit for inclusion in the regular data analysis programme
- Increase sustainability and capacity of our data analytics programme by providing training and shadowing opportunities for the internal audit team, developing the potential for new ideas and approaches through enabling and encouraging a diversity of thought
- Seek innovative ways to use data to increase efficiency and effectiveness of the internal audit function. Monitor the number of audits incorporating data analytics and consider setting a performance target for this. Maintain a log of data analysis work undertaken with outcomes so that performance is measurable, key themes are identifiable and lessons can be learnt
- Monitor trends across key areas and share insights with key stakeholders across the organisation, utilising visualisation tools available through modern business intelligence software



## Assessment of Current Data Analytics Capability

The following data analytics maturity model outlines the five typical stages of an organisations data analytics journey:



Our current level has been assessed as 'developing'. We exhibit some of the key 'defined' traits, although some elements of 'initial' capabilities persist, and therefore, on balance, a reasonable assessment of our current data analytics capability results in the level of 'developing'. The model can be viewed at Appendix B.

We are currently using our capabilities to drive some audit activities, e.g., Key Financial Systems, but a large element of our data analytics activity remains ad hoc. A concentration of data analytics competence and confidence means that data analytics achievements are driven by individuals rather than repeatable processes.

We have successfully applied data analytics techniques to key financial systems, enabling whole population testing where possible. Improvements can be made to automate these tests, following a refresh of the testing strategies for each area.

The impact of data visualisation has been apparent in dashboards created in conjunction with Financial Services to bring interactive data to budget holders, and there is significant potential to incorporate visual insights to audit reporting and ongoing monitoring of risk areas and trends.

The following Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis has been undertaken to facilitate the implementation of strategy and identify actions to assist in becoming more data mature:



## SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Senior leadership support for increased use of data analytics</li> <li>• Rich variety of data sources across the council</li> <li>• Foundation of data analytics already applied to key financial systems</li> <li>• Data analytics champion in Internal Audit</li> <li>• Corporate business intelligence tools available</li> <li>• Dashboards have been developed to provide insights on key areas of spend for decision makers</li> </ul>	<ul style="list-style-type: none"> <li>• Significant concentration of knowledge within the team</li> <li>• Undefined role of data analytics within the service structure</li> <li>• Limited number of audit days in the plan</li> <li>• Ability to keep up with technological pace of change outside the council</li> <li>• Currently utilising legacy version of Power BI which could result in additional resources required in future to transfer / adapt developments to newer platforms</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Highly skilled and professional audit team focussed on continuous improvement and development, with an interest in data analytics</li> <li>• Use of analytics could reduce time spent on traditional audits whilst continuing to provide a range of assurances, particularly for key financial systems, freeing time for additional work in other areas</li> <li>• Increased coverage for Annual Audit Opinion as automation is increased</li> <li>• Prospect of further raising the profile of Internal Audit in the organisation through presenting data analytics insights face to face, visually in audit reports and interactively via dashboards</li> </ul>	<ul style="list-style-type: none"> <li>• The quality of data available in different systems is known to vary</li> <li>• Potential data privacy issues to overcome</li> <li>• Supporting wider financial management in their transformation could hamper efforts to transform internal audit</li> <li>• Potential for duplication of work with other service areas</li> <li>• Access to writing and editing queries from some key systems often restricted to IDS colleagues, which reduces independence and can lead to time lags</li> </ul>



## Maturity of Data Analytics Capability

The steps towards increasing our data maturity form the basis of our key objectives which are outlined below.

The initial priority will be to design and deliver training focussed on different levels of involvement (awareness / planning and execution / interpretation), embedding data analytics across the team to stimulate different ways of working.

Target Maturity Level	Target Date	What this will look like
Defined	October 2023	<ul style="list-style-type: none"><li>• Training delivered to the team resulting in increased utilisation of data analysis techniques across all areas of the audit plan</li><li>• Data analysis programme is documented, and key processes are easily repeatable</li></ul>
Advanced	October 2024	<ul style="list-style-type: none"><li>• Data analytics is consistently applied across all areas of the internal audit service</li><li>• Data analysis processes are automated, providing continuous auditing where appropriate</li><li>• Team empowered with skills to explore data, making room for creativity to identify additional risk areas</li></ul>
Leading	October 2025	<ul style="list-style-type: none"><li>• Introduce more predictive and prescriptive data modelling such as forecasting and scenario planning</li><li>• Consider the application of data science to the vast array of available data sources, with the intention of finding unseen patterns, links, and classifications to inform decision making.</li></ul>



## Data Analytics Action Plan – Path to Maturity

Actions to achieve 'Defined' Maturity	
Training and Development	Provide training sessions on data analysis tools and techniques for the internal audit team. Ensuring that there are opportunities to put training into practice, allocate resources to sharing knowledge and experience through working with leading auditors where data analysis work has been identified through the audit scoping process.
Key Financial Systems	Enhance existing KFS testing strategies by introducing a continuous programme of control effectiveness across key financial systems. This will initially involve a rolling programme of routine tests for each area.
Other Fraud Risk Areas	Liaise with the counter fraud team to consider new areas where data analytics could be introduced, based on experience, concerns raised, and referrals received.
Cross-Council Links	Discover and link up with other data analytic initiatives in place across other service areas, tapping into existing resources where these would enhance our audit work and reciprocating where applicable, and further developing our knowledge of the council's data architecture.
Data Analysis Network	To share ideas with, and learn from, data analysts within the council, across neighbouring authorities and the Core Cities at regular intervals.
Software developments	Invest time in gaining knowledge of the Microsoft suite of tools available corporately, such as Power Apps and Power Automate, for consideration as to how they can potentially assist us in achieving our data analytic aims.



## Actions to achieve 'Advanced' Maturity

Audit process and reporting	<p>Embed consideration of using data analytics in scoping stage of every audit. Utilising an opt-out approach, where data analytics will not be incorporated into the audit the reasons for this will be recorded.</p> <p>The purpose of each system and the data it holds should be documented at the outset of each audit, building a core repository of the council's data architecture.</p> <p>Consider how visualisations can enhance findings presented in audit reports.</p>
National Fraud Initiative (NFI)	<p>Undertake internal NFI data matches more regularly to respond to anomalies in a more relevant timeframe.</p>
Key Financial Systems	<p>Building on the developed rolling programme of routine tests as outlined above, create a continuous monitoring process and reporting procedure.</p>
Trend Analysis / Stakeholder Information	<p>Produce trend analysis across a range of areas, to inform ongoing audits and audit planning, and present highlights and potential emerging issues to directorate leadership teams and other stakeholders.</p>

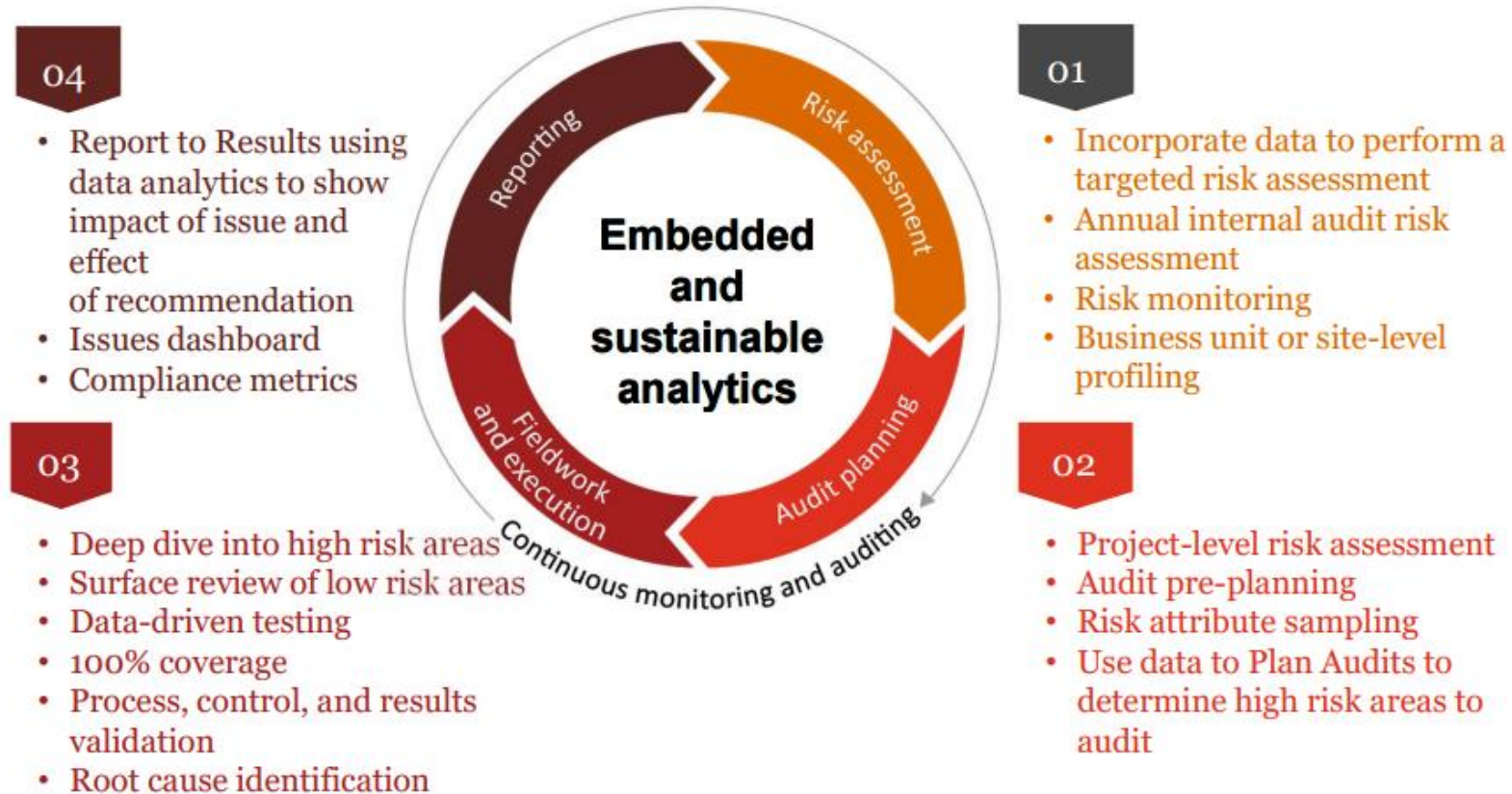
## Actions to work towards 'Leading' Maturity

Data science	<p>Evaluate current machine learning and artificial intelligence tools and techniques.</p> <p>Identify suitable pilot areas for the application of available tools.</p>
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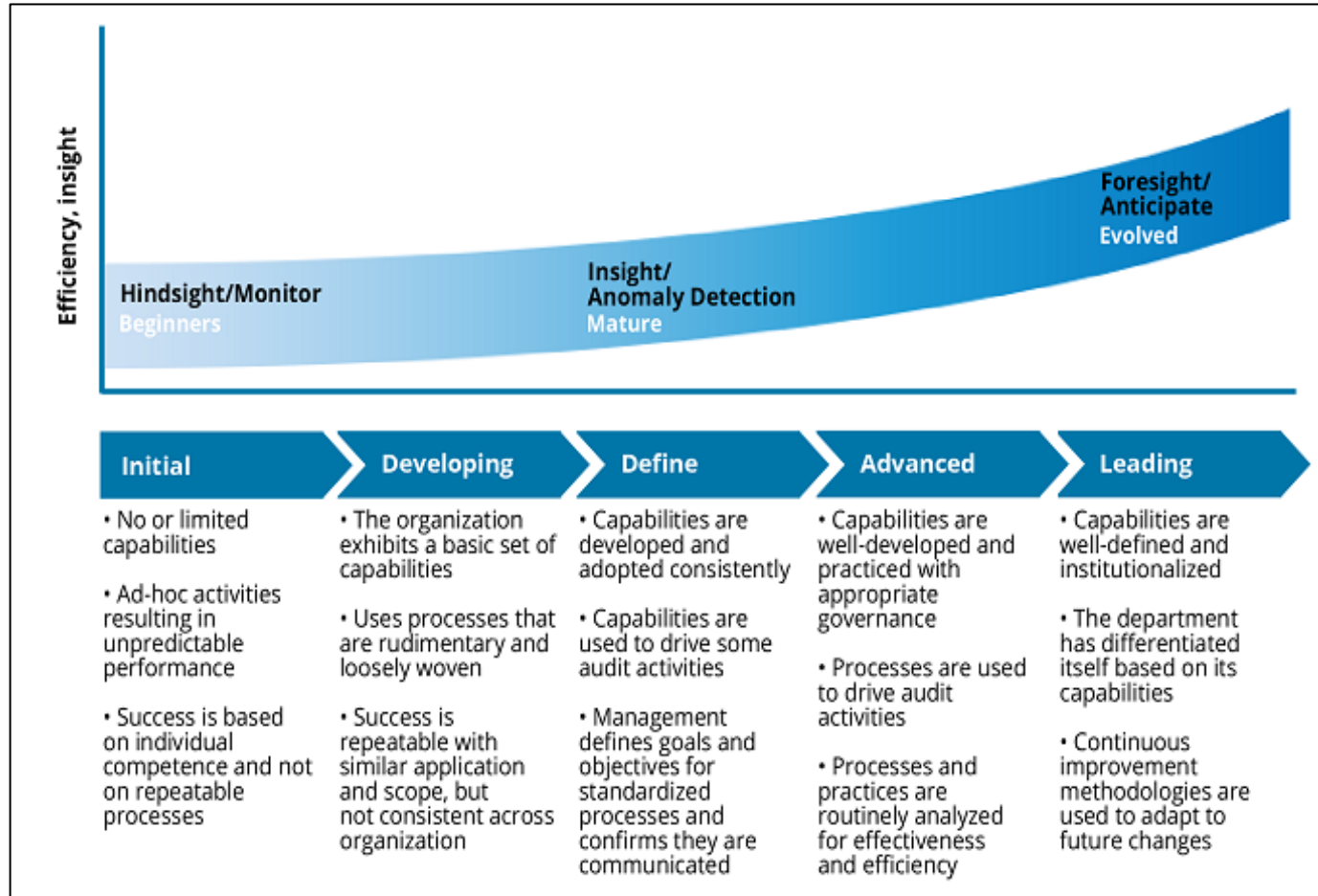
## Fully incorporating analytics into the audit process<sup>1</sup>



<sup>1</sup> IA Transformation to Data Analytics, PwC



## Maturity of Internal Audit Analytics<sup>2</sup>



<sup>2</sup> 'Evolution or irrelevance? Internal Audit at a crossroads: Deloitte's Global Chief Audit Executive Survey



## Approval of the 2020/21 Statement of Accounts and Grant Thornton Audit Report

Date: 6<sup>th</sup> February 2023

Report of: the Chief Finance Officer

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief summary

- Grant Thornton's audit of the 2020/21 accounts is nearing completion, and an updated report of their findings is attached. The main points are that :
  - Subject to completion of their remaining audit work, Grant Thornton anticipate being able to issue an unqualified opinion on the 2020/21 Statement of Accounts,
  - There are expected to be no material unadjusted audit differences affecting the financial statements;
- An updated copy of the statement of accounts will be published with this report. The accounts will be certified by the Chief Finance Officer as a true and fair view of the Council's financial position as at 31<sup>st</sup> March 2021 prior to the Chair of the Committee being asked to approve them.

### Recommendations

- a) Members are asked to receive the audit report of the Council's external auditors on the 2020/21 accounts and to note that there are expected to be no unadjusted audit differences to the accounts.
- b) Members are asked to consider the updated 2020/21 Statement of Accounts, and to approve these as the Council's final audited accounts for the year. The Committee is further asked to authorise the Chair to acknowledge this approval on behalf of the Committee by signing the appropriate section within the Statement of Responsibilities on page 1 of the accounts.
- c) On the basis of the assurances received, the Chair is asked to sign the management representation letter on behalf of the Corporate Governance and Audit Committee.

## What is this report about?

- 1 At its meeting in July 2021, the Committee considered the unaudited 2020/21 Statement of Accounts, and they were subsequently made available for public inspection. Under this Committee's terms of reference, members are required to approve the Council's final audited Statement of Accounts and to consider any material amendments identified by the Council or recommended by the auditors.
- 2 The bulk of the audit work on the 2020/21 accounts had been completed by early 2022, and Grant Thornton's interim audit report and a revised set of accounts were presented to the committee in February 2022. However, in early 2022 an issue relating to accounting for infrastructure assets (primarily highways assets) was identified at a national level. This prevented any further sign-off of the statement accounts for all councils with infrastructure assets until the issue was resolved. New Regulations and revisions to the accounting Code of Practice in relation to infrastructure assets were issued in December 2022, and these have now enabled the audit of the Council's 2020/21 accounts to be concluded, with the addition of some further disclosures in relation to infrastructure assets.
- 3 During preparation of the Council's 2021/22 draft accounts, issues were identified with the valuation basis of a small number of property assets, which have led to the Council revising their valuations for the 2020/21 accounts. Details are given in paragraphs 5.3 to 5.6 below.
- 4 Following the conclusion of the audit of the statement of accounts, Grant Thornton are required to audit the Council's WGA (Whole of Government Accounts) return. Once the WGA audit has been carried out, the overall 2020/21 audit will be closed.

## What impact will this proposal have?

### 5 Post Balance Sheet Events and other significant amendments

- 5.1 Under proper accounting practice the Council is required to consider any post balance sheet events which, if known at the time of the accounts being produced, would have significantly altered the Council's financial statements. If any such events have happened then the Council is required to amend the accounts if the cumulative value of the events would have a material impact on the Council's financial statements. Such events must be considered up until this Committee approves the final accounts and the auditors provide their audit opinion.
- 5.2 The report presented to the Committee in February 2022 identified a small number of significant amendments to the accounts which had been identified at that date :
  - i. Reductions of £18.5m had been recognised in the value of property, plant and equipment. This included a £16.5m reduction due to an error in the valuation of one asset, and a small number of clerical errors in recording other asset valuations.
  - ii. An increase of £34.0m in the value of the Council's share of the West Yorkshire Pension Fund's assets, following updated valuations carried out for WYPF after the Council's draft accounts were prepared. This was partially offset by an increase in the Council's pension liabilities of £29.1m following a recalculation of the impact of early retirements during 2020/21 using more detailed data than was available at the time that the actuarial calculation used in the draft accounts was produced. The overall impact of these two items was to reduce the net pensions liability by £4.9m.
  - iii. In the Collection Fund, a reduction to the level of the business rates appeals provision was recognised following Government guidance limiting the ability of businesses to claim for a material change in circumstances due to covid, and there was a reduction in the bad debt provision for business rates following better than anticipated collection of arrears. The Council's share of these two reductions was £3.7m and £5.9m respectively, however there was a resulting reduction of £5.5m in the level of Tax Income Guarantee

grant due as a result of the increased net business rates income, and an increase of £0.8m in the levy payable to the regional business rates pool.

- 5.3 One further issue has been identified which requires the 2020/21 accounts to be amended. During the preparation of the 2021/22 draft accounts, the Council identified a valuation issue which has led to a revision of the values of four properties in the 2020/21 final accounts. For 2021/22, the Council had commissioned the District Valuer's Service to carry out a number of property valuations, primarily due to capacity issues in the in-house valuation team. Although the majority of these valuations were in line with the previous in-house valuations, the District Valuer's Service recommended a change in the valuation basis of the Leeds Arena. The Arena had previously been valued on the basis of the future net income due under the lease to the operator, which is on commercial terms. The District Valuer's advice was that following the impact of the pandemic on the wider entertainment industry, there was no longer sufficient objective evidence on which to base an income valuation, and a DRC (depreciated replacement cost) basis should be used instead. As this change in circumstances applied equally to the 2020/21 financial year, the District Valuer was commissioned to revalue the Arena for the 2020/21 accounts. The result was an increase in the balance sheet value of the asset at 31<sup>st</sup> March 2021 by £59.4m, from £31.1m to £90.5m. The significant difference arising from the change in the basis of valuation is a reflection of the extent to which the costs involved in building a venue such as the Arena outweigh the direct commercial income which can be earned, with the benefits instead being reflected in the impact on the wider local area. It should be emphasised that the valuation basis change is a technical issue affecting the statement of accounts, and it does not indicate any increase in the potential market value of the Arena.
- 5.4 In the light of the District Valuer's advice regarding the Arena, the valuations of other assets were reviewed for any similar circumstances. This identified that the Leeds Grand Theatre, the Howard Assembly Rooms and the Carriageworks Theatre were also valued on an income basis. In the case of the Grand Theatre and the Howard Assembly Rooms, these venues were valued at a nominal value due to the existence of long term peppercorn leases to their operators. The District Valuer was therefore commissioned to value each of these properties at 31<sup>st</sup> March 2021. This was done on a DRC basis, resulting in a combined increase in value across the three properties of £28.5m.
- 5.5 The District Valuer's advice is that because the Grand Theatre, Howard Assembly Rooms and the Carriageworks are not leased out on commercial terms, a DRC valuation basis would also have been more appropriate for these assets in earlier years. Grant Thornton therefore requested that the council assessed the materiality of the impact of a valuation basis change for these assets in prior years. The District Valuer carried out valuations which indicated that a DRC based valuation at 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020 would have had a combined impact on the valuations of £29.2m and £29.0m respectively. As this is above Grant Thornton's audit materiality limit, although it is not material for the Council's accounts under the Code, it has been agreed that a prior period adjustment will be included in the 2020/21 accounts for the valuations of these three assets.
- 5.6 The overall impact of the property valuation changes described in 5.3 to 5.5 above has been to increase the Council's non-spendable reserves at 31<sup>st</sup> March 2021 by £87.9m. There is no impact on spendable reserves.
- 5.7 As outlined in paragraph 5.1 above, any post balance sheet events must be considered up until the accounts are approved. A verbal update will be provided at Committee to confirm the final position.

## 6 Public Inspection Queries, Questions to the Auditors and Objections

- 6.1 Under the statutory timescales for public inspection of the accounts, no formal objections or requests for additional information were received for the 2020/21 accounts

## 7 Key External Audit findings

- 7.1 Grant Thornton provided an interim report on the bulk of their audit work on the 2020/21 accounts to this Committee at its meeting in February 2022. Their final ISA260 report for 2020/21 which is attached at Appendix 2 provides an update on their completed audit work.
- 7.2 Grant Thornton's report indicates that, subject to the satisfactory completion of their audit work, they anticipate being able to issue an unqualified audit opinion on the council's accounts.
- 7.3 Grant Thornton's final report includes ten recommendations, of which eight were previously reported to the Committee in February 2022. There are two new medium priority recommendations relating to the statement of accounts.
- 7.4 Four of the recommendations included within the report relate to Grant Thornton's audit work on IT controls for the Council's key financial systems. Their IT audit for the 2021/22 financial year, which includes a follow up of these recommendations, has been completed and a report on it will be presented at the March meeting of the Committee.

## 8 Management Representation letter

- 8.1 Local authority auditors are required by the Code of Audit Practice to undertake the audit work on the accounts in compliance with International Standards on Auditing (ISAs). ISAs contain a mixture of mandatory procedures and explanatory guidance. Within the mandatory procedures are requirements to obtain written representations from management on certain matters material to the audit opinion. The management representation letter is designed to give Grant Thornton these assurances. In respect of the 2020/21 accounts the proposed letter is attached as Appendix 1 to this report. The letter is being reviewed by officers and confirmation will be provided at the meeting of the Committee on whether the Chief Finance Officer has requested any amendments before signing the letter to confirm that officers are not aware of any compliance issues on the representation matters raised in the letter.
- 8.2 The Committee is asked to consider whether members are aware of any issues that they want to bring to the auditors' attention in respect of the matters addressed in the management representation letter. If there are no such issues the Committee is asked to agree that the Chair can sign the letter on behalf of the Committee.

### **How does this proposal impact the three pillars of the Best City Ambition?**

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 9 The report relates to the council's underlying financial position rather than to any particular aspect of service delivery.

### **What consultation and engagement has taken place?**

Wards affected:      N/A

Have ward members been consulted?       Yes       No

- 10 The final Statement of Accounts and the Audit Report do not raise any issues requiring consultation or engagement with the public, ward members or Councillors

### **What are the resource implications?**

- 11 Under the audit reporting arrangements for 2020/21 set out by the National Audit Office, the outcome of value for money audit work is to be reported separately from the audit of the

statement of accounts. Grant Thornton reported the outcome of their value for money audit for 2020/21 to the October 2022 meeting of the Committee.

### **What are the key risks and how are they being managed?**

12 Grant Thornton's audit report sets out the key risks that they identified in advance of their audit, and their findings in respect of these risks.

### **What are the legal implications?**

13 The amended Accounts and Audit Regulations 2015 require the audited Statement of Accounts together with the final audit report to be published before the 30<sup>th</sup> November or, if this is not possible, as soon as practicable after receipt of the final auditor's report on the statement of accounts.

14 Under this Committee's terms of reference, members are required to approve the Council's final audited Statement of Accounts and to consider any material amendments recommended by the auditors.

## **Options, timescales and measuring success**

### **What other options were considered?**

15 This report informs the Committee of the findings from Grant Thornton's audit for 2020/21.

### **How will success be measured?**

16 Once the audit opinion has been received, the final audited accounts and the accompanying audit report will be published on the Council's website in accordance with the Regulations.

### **What is the timetable and who will be responsible for implementation?**

17 The documents will be published as soon as is practical following receipt of the audit opinion.

## **Appendices**

- Appendix 1 is the draft Management Representation letter to Grant Thornton, and Appendix 2 is Grant Thornton's updated Audit Findings Report.

## **Background papers**

- None

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Grant Thornton UK LLP  
No 1 Whitehall Riverside  
Leeds LS1 4BN

**Victoria Bradshaw**  
**Chief Finance Officer**  
Selectapost 3  
Civic Hall  
Leeds  
LS1 1JF

Contact: Victoria Bradshaw  
Tel: 0113 3788540  
Email: Victoria.bradshaw@leeds.gov.uk

6<sup>th</sup> February 2023

Dear Sirs,

This representation letter is provided in connection with the audit of the financial statements of Leeds City Council for the year ended 31<sup>st</sup> March 2021 for the purpose of expressing an opinion as to whether the Council's financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### **Financial Statements**

- i. We have fulfilled our responsibilities for the preparation of the Council's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include the valuation of land and buildings and the net pension fund liability. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities include identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the Council has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosure changes schedules included in your Audit Findings Report. The Council's financial statements have been amended for these misstatements and for all material misclassification and disclosure changes and are free of material misstatements, including omissions.
- xi. We have noted that the unadjusted misstatements schedule included in your Audit Findings Report to date does not identify any unadjusted misstatements for consideration. We will consider any further misstatements that you bring to our attention and we will ensure that the financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment. We continue to believe that the Council's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :
  - a. the nature of the Council means that, notwithstanding any intention to cease the Council operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
  - b. the financial reporting framework permits the entity to prepare its financial statements on the basis of the presumption set out under a) above; and
  - c. the Council's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

### Information Provided

- xv. We have provided you with:

- a. access to all information of which we are aware that is relevant to the preparation of the Council financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. access to persons within the Council via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the covid 19 pandemic from whom you determined it necessary to obtain audit evidence.
- xvi. We have communicated to you all deficiencies in internal control of which management is aware.
- xvii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:
- a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xx. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxi. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii. We have disclosed to you the identity of the Council's related parties and all the related party relationships and transactions of which we are aware.
- xxiii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

### **Annual Governance Statement**

- xxiv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

### **Narrative Report**

- xxv. The disclosures within the Narrative Report, which is titled the Narrative Foreword, fairly reflect our understanding of the Council's financial and operating performance over the period covered by the Council financial statements.

### **Approval**

The approval of this letter of representation was minuted by the Council's Corporate Governance and Audit Committee at its meeting on 6<sup>th</sup> February 2023.

Yours faithfully,

Chief Finance Officer

Chair, Corporate Governance and Audit Committee

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## Annual assurance report in relation to employment policies and employee conduct

Date: 6<sup>th</sup> February 2023

Report of: Chief Officer Human Resources

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### What is this report about?

#### Including how it contributes to the city's and council's ambitions

This is the annual report to the committee concerning the Council's employment policies and employee conduct. The report provides assurance to the Committee that, employee conduct is properly managed, policies are regularly reviewed and employee conduct forms part of normal manager/ employee relations.

The Best Council Plan and the Best Council Ambition to be an efficient, enterprising and healthy organisation can only be achieved through the linked ambition to be the Best Place to Work which will be delivered by our People Strategy 2020- 2025.

### Recommendations

Corporate Governance and Audit Committee is requested to receive this report and the attached Appendix 1 as together providing key forms of assurance on the robustness of the Council's employment policies and employee conduct.

### Why is the proposal being put forward?

- 1 To provide members with assurance on the Council's employment policies and employee conduct and give the opportunity for them to review the arrangements and ensure they are up to date and fully complied with.

### What impact will this proposal have?

#### Wards affected:

Have ward members been consulted?  Yes  No

- 2 The information set out in this report and appendix provide assurance that the council's systems of internal control in relation to employment and employee conduct are operating soundly and will support the Committee in approving the 2023 Annual Governance Statement.

### **What consultation and engagement has taken place?**

- 3 Employment policies are developed and reviewed by the HR team in consultation with trade union colleagues and staff networks with additional advice where applicable being provided by legal services. The views of and feedback from managers is also collected via focus groups.
- 4 Development of new/ reviews of existing policies form part of the weekly meetings with the Deputy Leader and Executive Member for Resources.

### **What are the resource implications?**

- 5 Effective management of our workforce has a positive impact on our overall salary costs. Our policy review process includes working pro-actively with our Trade Union colleagues to ensure that our employment policies are in line with our values and are easy to understand for employees and managers so that our workforce is managed and supported effectively.

### **What are the legal implications?**

- 6 All employment policies are legally compliant, and the human resources team receive direct updates from ACAS that allow policies to be reviewed to ensure they keep up with legislative changes as well as best practice advice.

### **What are the key risks and how are they being managed?**

- 7 As an employer there is legal responsibility to ensure that certain employment policies are in place and as a good employer Leeds City Council wants to achieve a culture where all employees are clear on their responsibilities and can be their best.
- 8 If employment policies are not effectively implemented, then there is a risk of employees taking legal action against the Council through Employment Tribunal claims. ACAS early conciliation and employment tribunal cases are monitored through monthly meetings between the Deputy Chief Officer HR, the HR Business Partner with the lead for casework and legal services. These internal controls help protect against reputational damage which could lead to a poor employer brand making it harder to attract and retain the best employees. From April 2019 all formal casework has been logged via SAP which has resulted in better quality reporting allowing trends to be spotted and action to be taken.

### **Does this proposal support the council's three Key Pillars?**

- Inclusive Growth       Health and Wellbeing       Climate Emergency

- 9 Our People Strategy 2020-2025 aims for all staff to be safe and well at work

### **Options, timescales and measuring success**

#### **What other options were considered?**

10 N/A

#### **How will success be measured?**

11 N/A

#### **What is the timetable for implementation?**

12 N/A

## **Appendices**

13 Appendix 1 Annual assurance report for employment policies and employee conduct

## **Background papers**

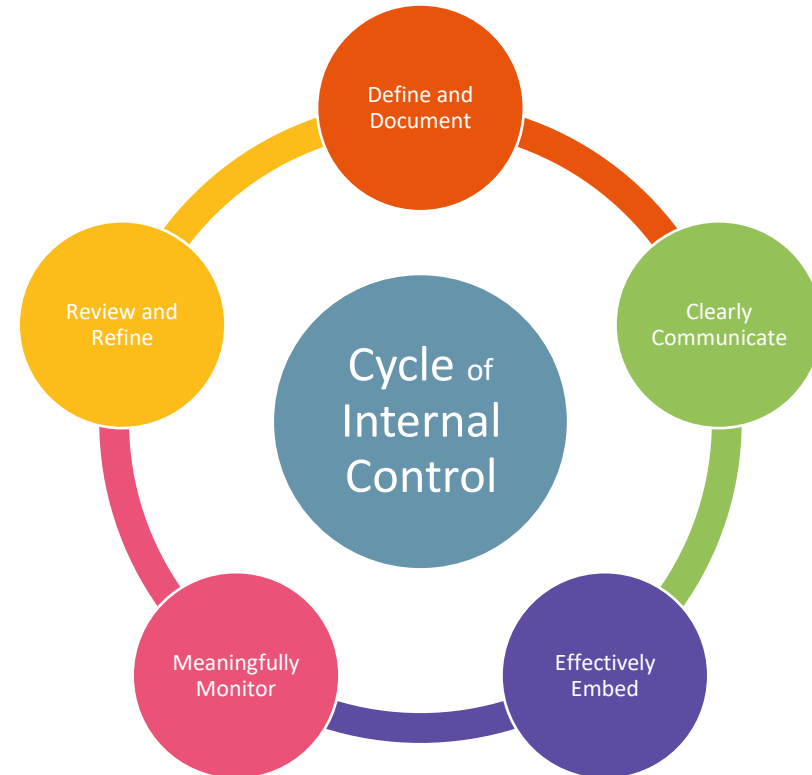
14 None

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# Introduction

1. This annual report to the Corporate Governance and Audit Committee provides assurance in respect of the Council's employment policies and employee conduct.
2. The requirements of employee conduct are established and regularly reviewed; requirements relating to employee conduct are communicated and feedback is collected on whether expected behaviours are being demonstrated; and employee conduct is monitored and reported.
3. From the review, assessment and on-going monitoring carried out, the Chief Officer HR has reached the opinion that, employee conduct is properly managed, policies are regularly reviewed and employee conduct forms part of normal manager/ employee relations.
4. Employment policy and procedure is comprised of policy documents and accompanying toolkits which contain template documents and guidance for employees and managers. We work to collectively agree all our employment policies with our recognised Trade Unions.
5. In accordance with the Council's values and the People Strategy 2020-2025, our employment policies and procedures are a key tool in helping the Council to be the best place to work and have a workforce that feels they can be their best, be valued for who they are and be safe and well at work.
6. The statement sets out the standing arrangements for the internal control of employment policy and employee conduct and provides evidence of compliance over the reporting period from January 2022 to December 2022.
7. The statement includes opportunities that have been identified to improve these arrangements.



## Define and Document

### Policy and Strategy

9. The Council's People Strategy 2020-2025 is clearly documented alongside our Organisational Plan and outlines our ambitions to be the best employer in the best city. This lays out our approach to supporting our managers and staff to be their best, valued for who they are and be safe and well whilst working for our organisation. The People Strategy is available on the [leeds.gov website](https://www.leeds.gov.uk).
10. There is a wide breadth of employment policy at Leeds City Council from inclusion and diversity, wellbeing as well as those that relate directly to conduct and performance.
11. This report provides a specific update on Conduct and Discipline; Employment Policies; Employee Register of Interest and Gifts and Hospitality.

### Conduct and discipline

12. All employees are required to work in accordance with the employee code of conduct (available via Insite and covered on day one of induction) and this is supported by a strong set of council values and manager expectations. The council's disciplinary policy exists to take action when an employee's conduct falls below the expected standards. The policy is ACAS compliant, and managers are supported in taking action by a skilled and professional HR team.

### Employment Policies

13. Although a disciplinary policy is necessary it is the quality and effective operation of other employment policies that ensures that the vast majority of employees meet the expected standards of conduct at work. In 2022 a review of the Recruitment and Selection policy began, including the accompanying toolkits which provide detailed guidance to managers. This will help support managers to carry out a fair recruitment process and ensure we attract and recruit the right people that align with our values. In addition, though the policy was deemed fit for purpose a Grievance Practice Review was conducted throughout 2022 with the report listing a number of recommendations to be actioned in 2023. In all policies there continues to be an emphasis on managers taking early action to avoid issues escalating unnecessarily and also on taking an individualised approach to supporting their employees to be at work and be their best.
14. During 2022 a Freedom to Speak Up Guardian was appointed in the Council, though this role has no direct management reporting in to Human Resources this is an additional route for employees to raise any concerns they may have. This is in addition to the existing employment policies and collective bargaining agreement.

### Politically Restricted Posts

15. In order to comply with The Local Government and Housing Act 1989 the council has a politically restricted posts policy and this was reviewed in 2019 by a member of the legal services team which resulted in no recommended changes. The identification of posts is built into the guidance notes accompanying the creation of new posts and the redesignation of existing posts. There have been no referrals in 2021/22 to the HR casework team for any breach of the politically restricted posts policy and procedure.

#### 16. Values and Behaviours

17. Internal Audit have been carrying out a review looking at the culture of the organisation, with a particular emphasis on the values and behaviours and how these are embedded. HR have been in regular contact with Internal Audit throughout the review and are currently awaiting confirmation of the final recommendations before drawing up an action plan for implementation.

18. This year we have continued to embed the expectations of our leaders and managers as part of our #TeamLeeds values and behaviours through appraisal discussions and our new training offer #BeYourBest, the [values and behaviours can be found here](#).

19. Our values and behaviours form part of everything we do and are discussed through our appraisal system by individuals and their line managers as part of the process.

#### Democratic Oversight

20. The Executive Member for Resources has oversight of matters in relation to human resources. The Executive Member regularly attends the HR and Trade Union meetings and has a fortnightly briefing with the HR Leadership team to enable any required escalation. The Resources and Strategy Scrutiny board also receives regular updates on the work of HR.

## Clearly Communicate

#### Contracts of Employment

21. Contract of employment documentation includes details of terms and conditions of employment and makes direct reference to employment policies, in line with legislation. Employees can also obtain copies of employment policy at any time by searching on Insite or asking their manager for a hard copy.

22. The politically restricted posts policy outlines the requirements of employees around political activity and specifically outlines politically restricted posts may be specified or because of the sensitive duties of the post, this is laid out in the Local Government and Housing Act (1989).

### Communications

23. In October 2022, the updated Organisation Plan included a refreshed internal communications and engagement framework that outlines how as an organisation we communicate to different tiers of employees. This begins at the corporate leadership team level down through appraising managers and to all staff. [A link to the organisational plan can be found here.](#)
24. An example of methods used outlined in the framework is the weekly ‘manager communication’ emails that are used to disseminate key information. Since their introduction during the pandemic these have now become a well-established part of how we disseminate key information to managers with an archive section available on InSite so employees can refer back to earlier messages.
25. Following discussions through 2022 a ‘Be your best manager network’ was piloted towards the end of 2022 with a planned launch to all managers in 2023. The network has been designed to encourage peer support and sharing of good practice around management of staff.

### Insite

26. Information is readily available to all Council employees on our policies and procedures. When available on the intranet, they sit as part of a toolkit that provides additional advice and guidance for employees and managers, including Frequently Asked Question sections.
27. Numerous toolkits are available through the Council intranet which gives access to employment policies, as well as accompanying guidance and templates to ensure managers and employees are fully up to date. These are covered through the following toolkits:
- [Managing staff](#) – including sections on disciplinary; grievance; supporting staff at work; supporting staff who work remotely; improving performance; probationary periods; library of former manager communication emails
  - [Health, Safety and Wellbeing](#) – including sections on health and wellbeing; risk assessments; occupational health; safeguarding; PPE
  - [Ill health and sickness absence](#) – including sections on improving attendance policy; improving attendance stages
  - [Values and behaviours](#) – including sections on employee register of interest; gifts and hospitality; employee code of conduct; political activity
28. ‘Gifts, outside interest and political activity’ is a specific toolkit containing the policy and template documentation for declarations, in addition there is a specific area for the Employee Code of Conduct

### Training and Guidance

29. When staff begin their employment with the Council everyone undertakes the corporate induction. This has been refreshed in and relaunched in 2022 and outlines the council values and behaviour as well as a talk from both the Chief Executive and the Leader of the Council.

30. Training is available on key policies and direct support from the HR service when a manager has to use the policies with a member(s) of their team.
31. In addition, experienced officers with appropriate expertise are available through HR Business Partnering teams to advise managers on how to appropriately apply these policies, either through direct contact or through the general HR enquiry line which is covered by a range of HR team members to give advice. Where appropriate, HR may seek advice on complex cases from the employment law team in Legal Services.
32. Due to the financial challenges faced by the authority in 2022 all appraising managers were invited to a session with the Chief Executive to discuss the organisations financial challenges, including a question-and-answer session. All managers as part of the session were invited to submit any ideas through to a central inbox that could help the organisation save money.
33. Throughout 2022 a 'Be your best' updated leadership and management development programme was designed and launched, including core training for existing managers and specific courses for first time managers. The initial launch sessions were attended by 1716 appraising managers and was led by the Chief Executive. In autumn 2022, further elements were launched with 4 'be your best' core management courses running, some for first time managers and some for experienced managers, in total 47 managers have been through these courses so far with a number of programmes scheduled for 2023.
34. A further offer to our leaders and managers has been a refresh on our Equality, Diversity and Inclusion (EDI) training offer, in November and December 2022 there were 9 EDI launch sessions all hosted by a member of CLT. In total 1693 appraising managers attended the sessions with a further two sessions scheduled for January 2023. This launch is the beginning of a 5 step training programme on the EDI agenda that will be carried out throughout 2023. Step 2 will launch in February 2023 with compulsory face to face training sessions for managers. HR have worked with directorates about the best approach for each area due to the diversity of services that the Council delivers to ensure attendance and engagement.

### Leadership

35. Corporate Leadership Team have regular updates on key employment practices and the Best Council – People and Culture board regularly receive updates to provide guidance on the implementation of HR policies.
36. The Deputy Leader and Executive Member for Resources meets fortnightly with members of the HR leadership team on the full range of employment related activities.
37. Business Partnering teams also regularly communicate to Chief Officer's and their leadership teams key policy updates and raise awareness of any initiatives that they need to be implementing with their teams.

## Effectively Embed

### Appraisals and 121s

38. Policies and procedures are embedded through line management arrangements, using regular conversations through one to ones and the appraisal cycle.
39. The updated expectations of values and behaviours continue to feature in the appraisal cycle, asking staff to comment on how they feel they have performed against these in their work over the year. For the 2021/22 end of year appraisal that were completed mid-2022 (Between 1<sup>st</sup> April and 30<sup>th</sup> June) the completion rate was 91.5% across the Council.

### Policy and strategy

40. The key employment policies outlined above are monitored regularly for outcomes and trends. In late 2022 HR introduced sharing monthly updates on sickness statistics with the Corporate Leadership team for monitoring and accountability.
41. An introduction to the council's values and behaviours is provided through the corporate induction, then further training is available on policies through the PAL system and HR guidance is given regularly through the HR Business Partner teams and the general enquiry line.
42. In 2022 a new management development offer has been launched to ensure our managers can be their best whilst working for the organisation and covers a variety of topics, including management policy.
43. As policies are reviewed in addition to trade union consultation a discussion is had with staff networks for advice to understand experiences and to enable them to be as inclusive as possible.
44. The recent Grievance Practice Review recognised the policy in place was fit for purpose, but that following extensive discussions with stakeholders there are some inconsistencies in the practical application. This review has been shared with Corporate Leadership Team with the recommendations for embedding consistent practice being rolled out throughout 2023.

### Employee Register of Interests

45. New starters are required to declare any interests when they commence employment, and all employees are required to register any interests as specified in the register of interests policy on an ongoing basis. Examples of declarations include duties such as school governors and other voluntary activities, employment outside the council and personal relationships with contractors.

46. In addition, there is an annual exercise covering employees in high-risk posts which are identified using the following criteria:

- posts that give significant advice or speaking for the council;
- posts where there is significant authority to make decisions; and
- posts with significant discretion over spending.

In 2022 declarations were submitted by 1302 employees that had been identified as 'high risk' by Chief Officers.

47. During 2022 Internal Audit completed a review of the arrangements in place to manage the risks associated with employee outside interests to ascertain if the policy is embedded and complied with. The outcome was deemed the control environment is acceptable with the recommendations being implemented working in conjunction with colleagues at the Business Support Centre (BSC).

48. Directors and chief officers have a responsibility to assess declarations and take the necessary actions to address any potential conflict of interest as detailed in the toolkit guidance, "Assessing outside interests." Advice is available from the HR team.

#### Gifts and Hospitality

49. All individual declarations are reviewed and either approved or rejected by a Director or their nominee. The declarations are logged on a central register at the Business Support Centre.

50. On an annual basis Directors are sent a copy of the register for their directorate and they are responsible for reviewing this to ensure that they are satisfied that there are no concerns, either with what individual officers have declared over the year or with any particular firm making inappropriate offers.

No concerns in relation to declarations of gifts and hospitality were identified in the last annual review and there have been no referrals in 2022 to the HR casework team for any breach of the gifts and hospitality policy.

51. In 2019 a benchmarking exercise on the gifts and hospitality policy was undertaken with the core cities which confirms that our arrangements are broadly similar to other local authorities.

52. From January 2020 Directors were required to gain approval from the Chief Executive and in turn the Chief Executive gains approval from the Leader/ Deputy Leader for any gifts and hospitality declarations.

53. Those employees in identified "high risk" posts are required to actively confirm that they have complied with the gifts and hospitality policy at the same time that they completed their annual return for the register of interests. These employees are required to complete an annual declaration and there is a chase process in place with HR and the Business Support Centre (BSC) to ensure a response is received and the organisation is policy compliant.

54. HR currently works with the BSC to ensure the collection of the information, but the responsibility for risk assessing the declarations lays with the line manager.

55. The table below outlines the arrangements for reviewing any declaration of interest from high-risk posts:

<b>Role of employee declaring interest</b>	<b>Reviewer of declaration</b>
Up to and including Chief Officer	Director
Director	Chief Executive
Chief Executive	Leader of the Council

Disciplinary procedures

56. Disciplinary cases are regularly monitored by members of the HR Leadership team to ensure consistency of approach and application of policy. In 2022 86 disciplinary cases were concluded, this represents less than 1% of the overall workforce.

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## Meaningfully Monitor

Employee Engagement Survey

57. Following on from the approach in 2020 and 2021, in 2022 a further wellbeing pulse survey was carried out which was an important way for the organisation to gauge how the workforce was feeling whilst at work. The 5<sup>th</sup> survey in 2022 have 3868 respondents with 65% of respondents working from home or in a workplace and 35% identified as working in a frontline or customer facing role.

58. As with previous surveys, for any employee who were unhappy or felt they wanted a further conversation if they chose to leave their contact details then they have received an individual phone call from a member of the HR team to offer further support.

59. There are established controls in place to support open and transparent decision making in relation to employment policies, including regular oversight by the HR Leadership team and legal support and advice as required.

60. CLT receive regular reports on a variety of workforce related matters, examples in 2022 includes updates on the People Strategy 2020-2025, the organisations improving attendance approach, resourcing and recruitment and the wellbeing agenda.



61. In addition to general monitoring by HR Business Partnering teams with Chief Officers, casework figures are regularly monitored and the principal audit manager and the appropriate HR colleague with the lead for casework meet regularly (approximately every 2- 3 months) to identify any disciplinary cases to ensure audit are appraised of any areas where further work may be required. This ensures the internal audit team have an understanding of the control environment and have a risk-based plan for proactive counter fraud reviews.
62. The strategy and resources scrutiny board receives information on the workforce twice a year and this is monitored through key performance indicators such as employee absence rates, number of apprenticeships and details of workforce protected characteristics.
63. Health and safety compliance is monitored through monthly meetings between the Head of Health and Safety and the Director of Resources through a quarterly health, safety and wellbeing priority board with Chief Officers. In addition, health and safety matters are reported to CLT twice a year and Executive Board receive an annual report and there is an established Trade Union working group.

## Review and Refine

### Legislation, Policy and Guidance

64. All Council policies and guidance are regularly reviewed to ensure they are in line with any new legislation.
65. As an employer there is legal responsibility to ensure that certain employment policies are in place and as a good employer Leeds City Council wants to achieve a culture where all employees are clear on their responsibilities and can be their best.

### Stakeholder engagement

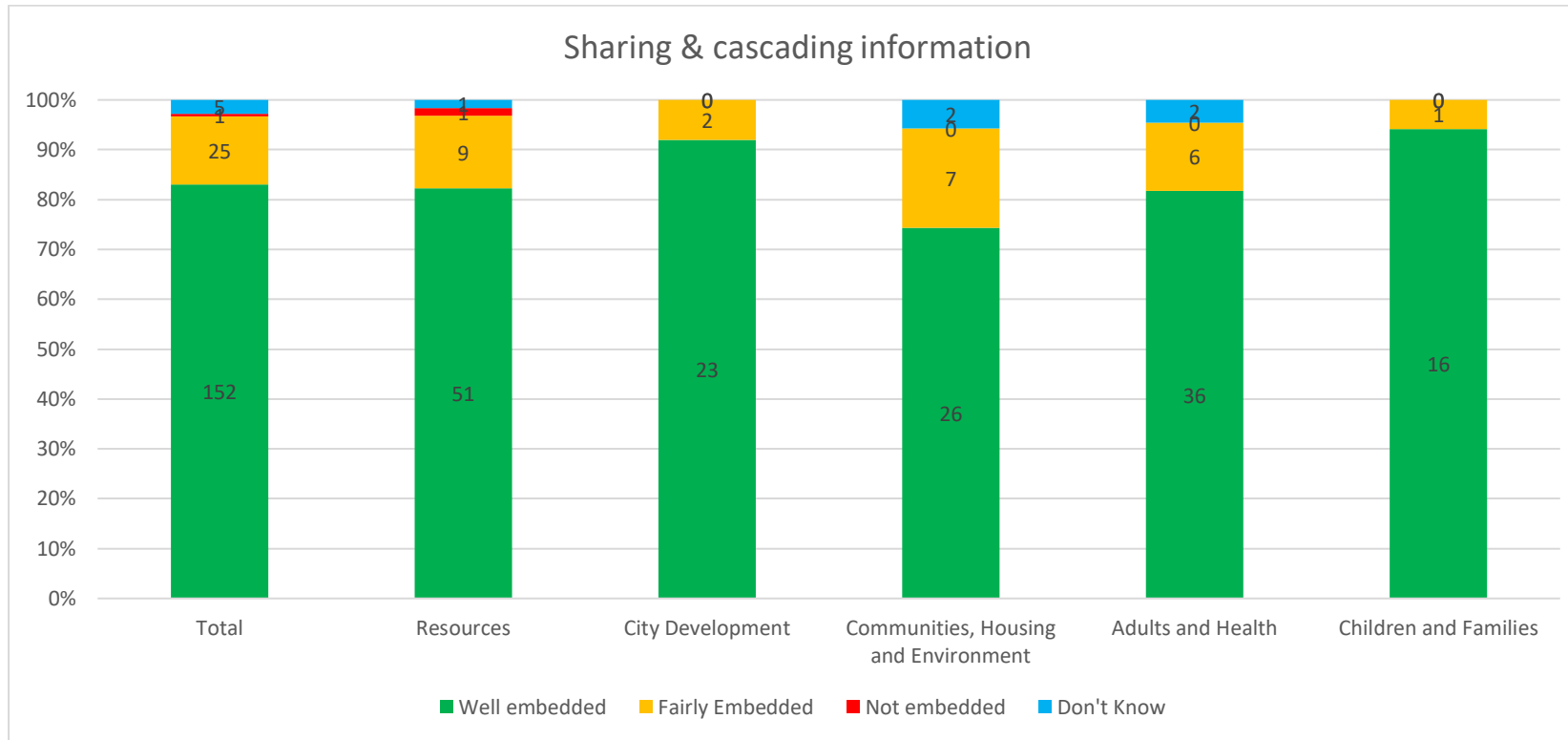
66. Key stakeholders to employment policies include managers, legal services for compliance and our recognised Trade Unions as we endeavour to collectively agree our employment policies. We also seek input from our staff networks where possible.

### Survey of Internal Control

67. In 2022 the council undertook the Survey of Internal Control amongst senior officers to provide first line assurance in relation to all key systems of internal control by seeking an assessment from operational managers as to how the arrangements underpinning the Corporate Governance Code and Framework are working on the ground.
68. The Survey included questions relating to arrangements for the employment policies and procedure and the capacity and capability to be effective.

69. The survey asked whether, in the view of respondents, officers in their service are aware of, and whether they work in compliance with a range of relevant HR policies and procedures.

70. Positive feedback received through the survey demonstrates that the sharing and cascading of information is working well, though due to the diversity of services the organisation delivers this is always an area we strive to keep improving.



*Opportunities for Improvement*

71. Though we have received positive feedback for the management of staff, it is recognised that this is an area that requires continuous improvement and investment in our managers.

72. The newly launched leadership and management offer should assist in helping our managers to continue to grow to be their best for the organisation.

#### Benchmarking opportunities

73. The Chief Officer HR and the Deputy Chief Officer HR are part of wider employment networks for benchmarking, sharing best practice and opportunities to improve employment policy. These include the core city networks the Anchors network and the Local Government Association (LGA) as well as HR specific links to the CIPD and PPMA.

74. The Yorkshire and Humber Regional Employers Association (YHEA) meets regularly and has a network of Elected Members from the region linked into this too. When renewing and refreshing policies this group is regularly contacted.

#### Independent Review

75. Internal Audit have a timetable of HR policies and procedures that they regularly review. In 2022 audit undertook a review of the Employee Register of Interest Policy and a Culture and Values audit in the organisation.

# Statement of Assurance

76. This is the annual report to the committee concerning the Council’s employment policies and employee conduct. From the review, assessment and on-going monitoring carried out, the Chief Officer HR has reached the opinion that, employee conduct is properly managed, policies are regularly reviewed and employee conduct forms part of normal manager/ employee relations.

77. The Chief Officer Human Resources has identified the following opportunities for enhancement

Opportunities for improvement

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<b>Define and Document</b>	<ul style="list-style-type: none"> <li>• The Chief Officer HR will continue to ensure that the employment policies and procedures are robust and fit for purpose.</li> <li>• Work will continue across the authority to achieve our People Strategy 2020-2025</li> </ul>
<b>Clearly Communicate</b>	<ul style="list-style-type: none"> <li>• Ongoing communications regularly to managers updating on key pieces of policy and relevant information will continue in 2023 to ensure they are fully informed and kept up to date with any changes</li> </ul>
<b>Effectively Embed</b>	<ul style="list-style-type: none"> <li>• Training on the EDI agenda will continue it’s 5 step process throughout 2023 to ensure inclusive practices are fully embedded across the organisation</li> </ul>
<b>Meaningfully Monitor</b>	<ul style="list-style-type: none"> <li>• Regular reporting to the Elected Member leadership will continue alongside through the usual scrutiny boards and other committees, to ensure democratic oversight is maintained</li> </ul>
<b>Review and Refine</b>	<ul style="list-style-type: none"> <li>• No further changes are proposed at this time.</li> </ul>

## Corporate Governance and Audit Committee Work Programme 2022-23

Date: 6<sup>th</sup> February 2023

Report of: Chief Officer Financial Services

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief summary

This report presents the work programme for the Corporate Governance and Audit Committee, setting out future business for the Committee's agenda, together with details of when items will be presented

Development and regular review of the work programme enables the Committee to manage the business appropriately in line with the risks currently facing the Council.

### Recommendations

- a) Members are requested to consider and approve the work programme and meeting dates at Appendix A.

### What is this report about?

- 1 This report presents the work programme for the Corporate Governance and Audit Committee.

### What impact will this proposal have?

- 2 The work undertaken by the committee throughout the year will support the understanding of the internal control and risk environment and support the committee's approval of the statutory Statement of Accounts and Annual Governance Statement (the AGS).

### How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing  Inclusive Growth  Zero Carbon

- 3 The work undertaken by the committee will provide assurance that arrangements for internal control support the delivery of the council's strategic objectives.

## What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?       Yes       No

- 4 The Work programme was approved by the Committee at its meeting in March 2022 and is presented at each meeting for the committee to consider and amend as appropriate.
- 5 Officers are currently preparing a draft work programme for presentation at the March 2023 meeting of this committee for approval prior to the commencement of the 2023/24 municipal year. Members are invited to make any recommendations in respect of business to be included in the work programme in order to ensure that the Committee has sufficient assurance to support approval of the Annual Governance Statement in due course.

## What are the resource implications?

- 6 The work undertaken by the committee will provide assurance as to the appropriate use of resources to deliver the council's strategic objectives.

## What are the key risks and how are they being managed?

- 7 The work undertaken by the committee will provide assurance that there are arrangements in place for the management of risk which are appropriate, proportionate, monitored and effective.

## What are the legal implications?

- 8 S151 Local Government Act 1972 requires local authorities to "make arrangements for the proper administration of its financial affairs". The Accounts and Audit (England) Regulations 2015 provide that the local authority is responsible for ensuring "a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk".
- 9 The work undertaken by the committee enables it to advise Council (the body charged with governance) that arrangements in place are up to date, fit for purpose, communicated and embedded, monitored and routinely complied with and to approve the Annual Governance Statement on behalf of Council.

## Options, timescales and measuring success

### What other options were considered?

- 10 Members are invited to recommend the inclusion of further business in the work programme as necessary.

### How will success be measured?

- 11 The Committee will provide an annual report to Council detailing how the committee has discharged its responsibilities.

### What is the timetable and who will be responsible for implementation?

- 12 As set out at Appendix A

**Appendices**

- Appendix A – Work Programme of Corporate Governance and Audit Committee 2022/23

**Background papers**

- None

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## CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME FOR 2022-23

The schedule of meetings set out below is proposed but the committee reserve the right to review and amend the work programme content and meeting dates throughout the year.

<b>Date</b>		<b>Work Item</b>
<b>24<sup>th</sup> June 2022</b>	1	Internal Audit update report
	2	Counter Fraud and Corruption update report
	3	Annual assurance report on decision making
	4	Governance arrangements for implementation of Best City Ambition and review of strategic framework
	5	Draft annual report 2021/22 of CGAC to Council
<b>29<sup>th</sup> July 2022</b>	1	Annual assurance report on procurement policies and practices
	2	Interim Annual Governance Statement
	3	Draft statement of accounts 2021/22
<b>3<sup>rd</sup> October 2022</b>	1	Internal Audit update report
	2	Annual assurance report on planning regulation and enforcement arrangements
	3	Internal Audit annual report and opinion (including assurance in respect of RIPA)
	4	Final statement of accounts 2020/21 and updated Audit Findings Report
	5	Receipt of External Auditor's Annual Report for 2020/21 setting out findings of Value for Money Review
	6	Approval of Annual Governance Statement 2021/22
	7	Receipt of External Auditor's Audit Plan for 2021/22
	8	Informing the Audit Risk Assessment
<b>28<sup>th</sup> November 2022</b>	1	Annual report on financial planning and management arrangements (to include Treasury Management)
	2	Counter Fraud and Corruption update report
	3	Annual assurance report on corporate performance management arrangements
	4	Annual assurance report on corporate risk and resilience arrangements
<b>6<sup>th</sup> February 2023</b>	1	Joint annual report on information governance from Data Protection Officer and Caldicott Guardian
	2	Update report on Information and Digital Services Governance
	3	Internal Audit update report
	4	Final Statement of Accounts 2020-2021 and updated Audit Findings Report
	5	Annual assurance report on employment policies and procedures and employee conduct
<b>20<sup>th</sup> March 2023</b>	1	Receipt of Internal Audit Plan
	2	Final statement of accounts 2021/22 and updated Audit Findings Report
	3	Receipt of External Auditor's Annual Report for 2021/22 setting out findings of Value for Money Review
	4	Assurance report on estate management arrangements
	5	Proposed Work Programme

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