Public Document Pack

Leeds
CITY COUNCIL

Consultative Meeting of Members of the Corporate Governance and Audit Committee

**Meeting to be held remotely on Friday, 17th December 2021
at 2.00pm via Zoom**

<u>**MEMBERSHIP**</u>

G Almass	J Bentley	M Foster
P Grahame	P Harrand	
K Maqsood	J Shemilt	
(Chair)		
P Truswell		
J Illingworth		

Linda Wild – (Independent Member)

Note to observers of the meeting: To remotely observe this meeting, please click on the 'To View Meeting' link which will feature on the meeting's webpage (linked below) ahead of the meeting. The webcast will become available at the commencement of the meeting.

https://democracy.leeds.gov.uk/ieListDocuments.aspx?CId=1207&MId=11780&Ver=4

*This is being held as a remote 'consultative' meeting. While the meeting will be webcast live to enable public access, it is not being held as a public meeting in accordance with the Local Government Act 1972.

**John Grieve
Governance Services
Tel: (0113) 37 88662**

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			**DECLARATION OF INTERESTS** To disclose or draw attention to any interests in accordance with Leeds City Council's 'Councillor Code of Conduct'.	
2			**APOLOGIES FOR ABSENCE** To receive any apologies for absence.	
3			**PUBLIC SECTOR INTERNAL AUDIT STANDARDS - EXTERNAL QUALITY ASSESSMENT** To receive a report by the Chief Officer Financial Services which presents an external independent review of Leeds City Council's Internal Audit Service undertaken by Glasgow City Council. The report provides independent assurances confirming that that the Internal Audit Service conforms with the requirements of the Public Sector Internal Audit Standards (PSIAS). (Report attached)	7 - 24
4			**ANNUAL ASSURANCE REPORT ON CORPORATE RISK MANAGEMENT ARRANGEMENTS** To receive a report by the Head of Intelligence and Policy Service which presents Annual Assurance Report on Corporate Risk Management Arrangements and seek to provide assurance on the effectiveness of the council's corporate risk management arrangements: that they are up to date; fit for purpose; effectively communicated and routinely complied with. The report also explains the key arrangements in place and additional work planned for 2022. (Report attached)	25 - 44

5				**ANNUAL BUSINESS CONTINUITY REPORT** To receive a report by the Director for Resources which seeks to provide assurance to the adequacy of internal business continuity management controls currently in place in the council; that they are up to date; fit for purpose; effectively communicated and routinely complied with. (Report attached)	45 - 62
6				**ANNUAL ASSURANCE REPORT ON CORPORATE PERFORMANCE MANAGEMENT ARRANGEMENTS** To receive a report by the Director of Resources which presents the Annual assurance report on corporate performance management arrangements and seeks to provide assurances on the effectiveness of the council's corporate performance management arrangements; that they are up to date; fit for purpose; effectively communicated and routinely complied with. The report also provides a key source of assurance for the Committee to consider when approving the council's Annual Governance Statement. (Report attached)	63 - 80
7				**INTERNAL AUDIT UPDATE REPORT AUGUST TO NOVEMBER 2021** To receive a report by the Chief Financial Services Officer which seeks to provide assurance that the internal control environment is operating as intended through a summary of the Internal Audit activity for the period from August to November 2021. The report also highlights the incidence of any significant control failings or weaknesses. (Report attached)	81 - 110

2

a)

b)

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Report author: Louise Booth

Tel: 0113 3780503

Public Sector Internal Audit Standards – External Quality Assessment

Date: 17th December 2021

Report of: Chief Officer (Financial Services)

Report to: Consultative Meeting of Members of the 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 report introduces an external independent review of Leeds City Council's Internal Audit Service undertaken by Glasgow City Council. The report provides independent assurances confirming that that the Internal Audit Service conforms with the requirements of the Public Sector Internal Audit Standards (PSIAS).

- 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 Best Council Plan objectives.

Recommendations

Members are asked to:

a) receive the Leeds City Council Public Sector Internal Audit Standards External Quality Assessment undertaken by Glasgow City Council;

b) note that Leeds City Council's Internal Audit Service conforms with the requirements of the PSIAS.

Why is the proposal being put forward?

1 The Corporate Governance and Audit Committee considers the Council's arrangements relating to internal audit requirements, including monitoring the performance of Internal Audit.

2 The PSIAS introduce a requirement for an external assessment of an organisation's internal audit function, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation. This report introduces an external independent review of Leeds City Council's Internal Audit Service undertaken by Glasgow City Council.

What impact will this proposal have?

Wards affected:			
Have ward members been consulted?	☐ Yes		☒ No

3   The report confirms that the Internal Audit Service conforms with the requirements of the PSIAS.

4   The work of Internal Audit contributes towards Leeds City Council achieving its key priorities and Best Council Plan objectives.

What consultation and engagement has taken place?

5   The external assessment was undertaken by the Head of Audit and Inspection and the Senior Audit Manager from Glasgow City Council. The assessment included consultation with the Chair of the Leeds City Council Corporate Governance and Audit Committee alongside a range of Leeds City Council senior officers including the Chief Executive, Director of Resources and the Chief Finance Officer.

What are the resource implications?

6   The report highlights the ongoing challenge for Internal Audit in accommodating and managing audits when resources in departments are reducing and their capacity for responding to audits may be reduced.

7   The external assessment provides the Committee with some assurances around the effective use of Internal Audit resources throughout the completion and delivery of audit work.

What are the legal implications?

8   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.

9   The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). The standards apply to Internal Audit in all parts of the public sector in the UK and are mandatory. They seek to secure 'a professional, independent and objective internal audit' that makes an effective contribution to governance arrangements. Guidance on the interpretation of the Standards is set out by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Local Government Application Note (LAGN) 2019.

10 The PSIAS also introduce a requirement for an external assessment of an organisation's internal audit function, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation. The external assessment is undertaken through the established 'peer review process' of the Core Cities Chief Internal Auditors Group.

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

11 The PSIAS set out the core principles and requirements of an effective internal audit service. Failure to comply with the requirements of the PSIAS would significantly compromise the integrity of internal audit work undertaken, and reduce the value of the assurances provided. To

mitigate these risks, Leeds City Council Internal Audit continually review compliance with the standards, with the results brought together through an annual self-assessment. The self-assessment process is supplemented by the external assessment referenced within this report.

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

☒ Inclusive Growth   ☒ Health and Wellbeing   ☒ Climate Emergency

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

Options, timescales and measuring success

What other options were considered?

13 The alternative option would be to procure an external assessment through the Chartered Institute of Public Finance Accountancy (CIPFA). However it is considered that the established core cities peer review process represents value for money, whilst also providing an appropriate level of independence and external insight for the purposes of sharing good practices.

How will success be measured?

14 Success can be measured through the completion of the external assessment and the confirmation that the Leeds City Council Internal Audit Service conforms with the requirements of the PSIAS.

What is the timetable for implementation?

15 The external assessment is completed every five years. Recommendations included within the external assessment report are included within the Quality Assurance Improvement Programme and progress will be reported to the Committee throughout the year. All recommendations will be implemented by the end of the financial year 2021/22.

Appendices

16 A – Leeds City Council Internal Audit Public Sector Internal Audit Standards External Quality Assessment carried out by Glasgow City Council

Background papers

17 None.

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Internal Audit

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Public Sector Internal Audit Standards – External Quality Assessment

Final Report

December 2021

Glasgow
CITY COUNCIL

1   Introduction

1.1   The Public Sector Internal Audit Standards (PSIAS) encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). The standards apply to Internal Audit in all parts of the public sector in the UK and are mandatory. They seek to secure 'a professional, independent and objective internal audit' that makes an effective contribution to governance arrangements. Guidance on the interpretation of the Standards is set out by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Local Government Application Note (LAGN) 2019.

1.2   The PSIAS sets out the Mission and definition of Internal Auditing; the core principles for professional practice; together with a Code of Ethics. These seek to capture the characteristics of effective internal audit functions. Whilst specific nineteen attribute and thirty-three performance standards provide guidance on how internal auditing should be carried out and the function managed. The Standards also introduced a requirement for an external assessment of an organisation's internal audit function, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation.

1.3   The main areas covered by the PSIAS are:

Purpose, Authority & Responsibility

Proficiency & due professional care

Quality Assurance & Improvement Programme

Performance Standards

1.4   An effective internal audit service should:

- understand the whole organisation, its needs and objective;
- understand its position with respect to the organisation's other sources of assurance and plan its work accordingly;
- be seen as a catalyst for improvement at the heart of the organisation;

- add value and assist the organisation in achieving its objectives; and
- be forward-looking, knowing where the organisation wishes to be and aware of the national agenda and its impact.

1.5 The Core Cities Chief Internal Auditors group has established a 'peer-review' process. This process addresses the requirement of external assessment by 'self-assessment with independent external validation'. The self-assessment of Leeds City Council's Internal Audit function against the requirements of the Standards was completed by the Head of Audit, assisted by the Principal Audit Manager, using the pro-forma contained within the LAGN.

1.6 In line with the agreed Terms of Reference (Appendix 1), the external review was undertaken by the Head of Audit and Inspection and Senior Audit Manager from Glasgow City Council. Both are senior members of staff; qualified members of CIPFA; hold appropriate experience of internal audit within the public sector; and have an in-depth knowledge of the Definition, Code of Ethics, and the International Standards for Internal Audit. No conflict of interests, that would limit the independence of the review, have been identified.

1.7 The self-assessment was independently validated by reviewing a sample of supporting documentation; interviewing key stakeholders (Appendix 2); viewing recordings of Corporate Governance and Audit Committee meetings; and conducting a survey of a sample of directors and service heads to capture an organisational perspective on the delivery and value of internal audit services. The independent validation exercise included audit services provided on behalf of the Council and external organisations.

1.8 Due to COVID-19 restrictions, the review was undertaken remotely, using video conferencing for interviews.

2   Audit Opinion

2.1   Our independent review and sample testing has confirmed that Leeds City Council's Internal Audit Function conforms with the requirements of the Public Sector Internal Audit Standards.

2.2   The function is appropriately positioned within the organisation; independent and objective; trusted; highly regarded by stakeholders; and makes a positive contribution to the systems of governance, risk management and internal control.

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3   Summary of Findings

3.1   Leeds Internal Audit Service provides a range of assurance and investigation services to the Council and other external organisations.   The 2020/21 audit plan contained approximately 2,270 days excluding external work. The Service is accredited against the International Standard ISO9001:2015 for quality management.

3.2   Leeds City Council's first external assessment against the PSIAS took place in 2016. The five recommendations arising from this review have been reported as complete to the Corporate Governance and Audit Committee. In line with the agreed terms of reference a further independent 'peer-review' has been completed by Glasgow City Council to validate current compliance.

3.3   The self-assessment against the standards, completed by the Head of Audit, did not identify any areas of non–conformance and confirmed compliance with the PSIAS. This position has been reported to the Corporate Governance and Audit Committee. Our review of the self-assessment and supporting evidence confirmed this conclusion.

3.4   The Head of Audit reports on an organisational basis through the Chief Financial Services Officer but has direct access to the Chief Executive; Corporate Leadership Team; and Chair of the Corporate Governance and Audit Committee. Based on the requirements of PSIAS and guidance contained within LGAN internal audit activity is sufficiently independent and has the appropriate status within the organisation. This was echoed within the stakeholder feedback where the objectivity of the service was clearly valued by all. It was noted that the Head of Audit has recently taken on operational responsibility for Insurance however arrangements are in place to ensure there is no impact upon the Head of Audit's independence.

3.5   The stakeholder interviews / surveys confirmed that:

- the advice and assurance provided by Internal Audit is valued and trusted;
- the Internal Audit team is adaptable and respond well to change and emerging risks;
- Internal Audit has a positive impact on the systems of governance, risk and internal control;
- the function is seen as independent and objective; and
- senior managers are consulted and able to feed into the annual audit plan.

One minor comment was raised, highlighting the challenge for Internal Audit going forward in accommodating and managing audits when resources in departments are reducing and their capacity for responding to audit may be reduced.

3.6   We have identified a number of minor recommendations for consideration that seek to further strengthen the positive position of Internal Audit and help it to continue to drive forward, these include:

- Regular scheduled meetings with the Chief Executive;
- Specific referencing in all reports confirming compliance with the PSIAS; and
- The format of reporting to the Corporate Governance and Audit Committee.

3.7   We would like to thank all those involved in this review for their cooperation and assistance.

4   Action Plan

No.	Observation	Recommendation	Management Response
PSIAS Requirement: Independence and Objectivity – the Chief Audit Executive has free and unfettered access to, as well as communicate effectively with, the Chief Executive and the Chair of the Audit Committee			
1	Although the Head of Audit has unrestricted access to the Chief Executive, there are no scheduled meetings in the diary for the Head of Audit to meet with the Chief Executive routinely, it is done on an ad-hoc basis.	Formal meetings are scheduled with the Chief Executive, ideally every quarter. This will provide an opportunity to brief the Chief Executive on key audit activity and obtain information on any emerging areas of risk or concern.	**Response:** Routine meetings would be normal practice but due to Covid it was difficult to establish a regularly scheduled meeting, particularly due to the Chief Executive taking up a role on the national test and trace system. Regular meetings are now diarised. **Officer Responsible for Implementation:** Head of Audit and Insurance **Timescales for Implementation:** Implemented

4   Action Plan (continued)

No.	Observation	Recommendation	Management Response
PSIAS Requirement: Communicating Results - Internal Audit report that engagements are 'conducted in conformance with the PSIAS'			
2	Currently the Internal Audit team report on compliance with the Public Sector Internal Audit Standards through the Annual Report and Opinion. There is no mention of compliance on a more regular basis.	Consideration should be given to including reference to Internal Audit work being undertaken in compliance with the Public Sector Internal Audit Standards in all assurance reports.	**Response:** We are currently requesting feedback on the format of our audit reports, we agree to include this reference within our revised reports. **Officer Responsible for Implementation:** Head of Audit and Insurance **Timescales for Implementation:** April 2022

4   Action Plan (continued)

No.	Observation	Recommendation	Management Response

PSIAS Requirement: Communicating Results – Internal Audit communicate the results of engagements in an appropriate way

No.	Observation	Recommendation	Management Response
3	Currently the information provided to the Corporate Governance and Audit Committee is in summary form. Whilst the PSIAS are not specific on the form that reporting should take, this should be kept under review to ensure it continues to meet the needs of all members of the Corporate Governance and Audit Committee.	The Head of Audit should consider the reporting arrangements to the Corporate Governance and Audit Committee at regular intervals to ensure that they meet members' needs.	**Response:** We consider this to be a continuous process. We ask Members to provide feedback on an ongoing basis and will continue to do so. **Officer Responsible for Implementation:** Head of Audit and Insurance **Timescales for Implementation:** Implemented

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Appendix One

Core Cities Chief Internal Auditor Group

External Assessment – Peer Review

Terms of Reference

Background Information

External Assessments:

The Public Sector Internal Audit Standard (PSIAS) introduced a requirement for an external assessment to be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation as part of an ongoing quality assurance and improvement programme.

There are two possible approaches to external assessments outlined in the standard: a full external assessment; or an internal self-assessment which is validated by an external reviewer.

External reviewers should:

- possess a recognised professional qualification;
- have appropriate experience of internal audit within the public sector / local government;
- have detailed knowledge of leading practices in internal audit; and
- have current, in-depth knowledge of the Definition, the Code of Ethics and the International Standards.

The Head of Internal Audit should discuss the proposed form of the external assessment with their line manager (where relevant) or Section 151 Officer (or equivalent) or Chief Executive prior to making recommendations to the Audit Committee regarding the nature of the assessment. The scope of the external assessment should have an appropriate sponsor, such as the Chair of the Audit Committee or Section 151 Officer.

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The Head of Internal Audit should report the results of their quality assurance improvement programme (ongoing activity, internal and external assessments) to stakeholders. Such stakeholders should monitor the implementation of actions arising from internal and external assessments.

Purpose of the Review

The purpose of the external assessment is to help improve delivery of the audit service and establish whether governance requirements relating to the provision of service are embedded. The assessment should be a supportive process that identifies opportunities for development and enhances the value of the audit service to the authority.

Proposed Approach

Members of the Core Cities group have elected to adopt the internal self-assessment approach validated by an external peer reviewer. The key benefit to this approach is cost. The Chartered Institute of Public Finance (CIPFA) offer a service to provide external assessments and can undertake a full quality assessment at an approximate cost of £30K. The Chartered Institute of Internal Auditors (CIIA) also offer a similar service at an approximate cost of £14k. They also provide a validated assessment, similar to the approach agreed by the core cities group, which takes around 5 working days and costs approximately £12.5k (costs based on quotes obtained for PSIAS reviews at Birmingham City Council).

There are clear financial savings to members of the Core Cities group by adopting a peer review approach. In addition, the approach is in keeping with the promotion of collaborative working arrangements.

Each authority will determine an appropriate member of their team to conduct the external assessment, taking into account qualifications and relevant experience.

Upon conclusion of the external assessment, the reviewer will offer a 'true and fair' judgement and it is proposed that each authority will be appraised as **Conforms**, **Partially Conforms** or **Does Not Conform** to the PSIAS.

Independence and Objectivity

Prior to the assessments taking place all parties will agree the programme of peer reviews and an appropriate timetable, including the number of days required to undertake the reviews.   It is important to ensure the independence of the auditor undertaking the peer assessment. Any known or perceived conflicts of interest should be disclosed. It should be acknowledged at the outset that all Core City Internal Audit services have some knowledge of each other.

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The Assessment Process and Indicative Timescales

Completion of the Checklist:

Each Head of Internal Audit must complete the Checklist for Conformance with the PSIAS which is attached to the Local Government Application Note in advance of the external assessment. It is essential that the basis of the assessment is documented.

2.1.1   Pre Assessment Phase (2 days):

- Confirm the terms of reference for the review, timescales and dates for the review – this should include any specific issues that the authority may want to be considered as part of their quality assessment.
- Obtain:
    - relevant background information to gain an understanding of the service. This should include the Internal Audit Charter / Strategy or Terms of Reference (independence, scope authority, purpose and the relationship with the Audit Committee and senior executives);
    - details of responsibilities, resources, structure and activities;
    - details of any external client organisations e.g. Joint Authorities and consider whether such organisations may have different outcomes in terms of compliance with the PSIAS and whether separate assessments may be required;
    - the completed self-assessment and supporting evidence; and
    - evidence of how quality is maintained, and performance measured and reported.
- Issue a questionnaire to key stakeholders at the Council to obtain feedback on the internal audit procedures and process.
- Evaluate all documentation supporting the self-assessment prior to the on-site visit.

2.1.2   Assessment Phase (on-site visit) (1day):

- Raise and resolve any queries arising from the review of the self-assessment.
- Examine a sample of audit engagements to verify compliance to the PSIAS and procedures.
- Interview key staff and stakeholders to confirm audit procedures and process.
- Undertake an exit meeting with the Head of Internal Audit.

Post Assessment Phase (1 day):

The review should conclude with a detailed report providing an evaluation of the team's conformance with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The report should highlight areas of partial conformance / non-conformance and include suggested actions for improvement, as appropriate.

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Reporting Phase (1 day):

- Discussion of the draft report with the Head of Internal Audit.
- Issue of draft final report and agreed actions to the Head of Internal Audit to confirm accuracy.
- Issue final report to the Head of Internal Audit and Sponsor.
- Head of Internal Audit / Sponsor to report outcomes to their Audit Committee, together with an action plan and proposed implementation date(s).

It is envisaged that the assessment process should approximately 5 days in total.

Proposed schedule

Manchester review Birmingham
Bristol review Liverpool
Birmingham review Sheffield
Glasgow review Leeds
Leeds review Manchester
Sheffield review Nottingham
Nottingham review Bristol
Birmingham review Glasgow

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Appendix Two

Stakeholders Interviewed

Chief Executive
Director of Resources
S151 Officer
Chair of the Corporate Governance and Audit Committee
Previous Chair of Corporate Governance and Audit Committee
Independent member of Corporate Governance and Audit Committee

Stakeholders Surveyed

Chief Executive
Deputy S151 Officer
Director of Adults and Health
Director of Children and Families
Director of Communities, Environment and Housing
Director of City Development
Senior Head of Finance – People
Senior Head of Finance – Place
Chief Officer Resources and Strategy – Children and Families
Chief Officer Resources and Strategy – Adults

From the 10 questionnaires issued, 5 were returned (50%)

Report author: Emma Kamillo-Price / Tim Rollett

Tel: 378 6946 / 9235

Annual Assurance Report on Corporate Risk Management Arrangements

Date: 17th December 2021

Report of: Head of Intelligence and Policy Service

Report to: Consultative Meeting of Members of the 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 annual report presents assurances to the Corporate Governance & Audit Committee on the effectiveness of the council's corporate risk management arrangements: that they are up to date; fit for purpose; effectively communicated and routinely complied with. It explains the key arrangements in place and additional work planned for 2022.

- Effective management of the range of risks that could impact upon the city and the council supports the delivery of all Best Council Plan outcomes and priorities.

Recommendations

a) Members are asked to receive the annual report on the council's corporate risk management arrangements and note the assurances in support of their next Annual Governance Statement.

Why is the proposal being put forward?

1 The risk management arrangements in place support compliance with the council's Risk Management Policy and Strategy and Corporate Governance Code and Framework – Principle 6 – we will ensure that we have robust and effective audit, scrutiny, information governance, risk and financial management controls.

2 This annual report presents assurances to the Corporate Governance & Audit Committee on the effectiveness of the council's corporate risk management arrangements. It updates the Committee on work carried out since the previous assurance report dated 27th July 2020.

3 The report provides one of the sources of assurance the Committee is able to take into account when approving the Annual Governance Statement. It also enables the Committee to fulfil its role under the council's Risk Management Policy and the Committee's own Terms of Reference to review the 'adequacy of the council's Corporate Governance arrangements (including matters such as internal control and risk management)'.

What impact will this proposal have?

Wards affected:		
Have ward members been consulted?	☐ Yes	☒ No

4 Some of the council's risks are 'external facing' i.e., their occurrence would have an adverse impact on citizens and communities in Leeds. Examples of our external facing risks include Major flooding, Major incident in the city and Keeping the city moving. Effective corporate risk management arrangements should help prevent these risks from arising or mitigate their impact should they occur.

What consultation and engagement has taken place?

5 Key stakeholders continue to be engaged in maintaining the council's corporate risk management arrangements. As well as this Committee, these include the Executive Board, Strategy and Resources Scrutiny Board and the Corporate Leadership Team.

6 The corporate risk map is published on the council's leeds.gov website with annual reports to Executive Board on the council's most significant risks also publicly available .

What are the resource implications?

7 The corporate risk management arrangements set out in this report help the council to target and prioritise resources to help reduce costs, deliver savings and achieve value for money. Should any of the corporate risks arise, there would be financial and staffing resource implications to deal with the risk.

What are the legal implications?

8 The council's corporate risk management arrangements support the authority's compliance with the statutory requirement under the Accounts & Audit Regulations 2015 to have 'a sound system of internal control which facilitates the effective exercise of that body's functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and which includes arrangements for the management of risk.'.

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

9 Without up to date, fit for purpose and embedded corporate risk management arrangements, preventable risks could arise which may have a subsequent adverse impact on resources and reputation.

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

☒ Inclusive Growth ☒ Health and Wellbeing ☒ Climate Emergency

10 The corporate risk management arrangements support each of the council's three pillars. Each pillar has risks that could impact on their achievement and the risk management arrangements aim to ensure that these risks are identified and managed to prevent their occurrence or to mitigate their impact should they arise.

Options, timescales and measuring success

a) What other options were considered?

11 N/A

b) How will success be measured?

12 N/A

c) What is the timetable for implementation?

13 N/A

Appendices

14 Appendix 1: Corporate Risk Management Arrangements

Background papers

15 None

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Introduction

1. This report provides the Corporate Governance & Audit Committee with assurances relating to the adequacy of risk management controls currently in place in the council; that they are up to date, fit for purpose, embedded and routinely applied.

2. The information in this appendix is based around a 'cycle of internal control framework' which consists of five aspects, seen in the diagram opposite.

3. The council's risks arise from a variety of sources, some of which are out of our direct control, whilst others stem from changes in government policy and the shifting needs and make-up of our communities. Such changes bring uncertainties that can pose threats that need addressing but also bring opportunities to exploit.

4. In recent times, local authorities and communities have experienced a wide range of significant risks: cyber-attacks, adverse weather conditions and high-profile safeguarding incidents. Local authorities, communities and businesses continue to be significantly impacted by the risks arising from the coronavirus pandemic. The need for us to have strong risk management arrangements remains essential.

5. Through the arrangements outlined in this report, the council seeks to embed an effective risk management culture across its values, and in the behaviour of all its staff and elected members. This responsibility extends to managing risks with our key partner organisations to ensure they are aware of and are compliant with our Risk Management Policy.

Define and Document

Clearly Communicate

Cycle of Internal Control

Review and Refine

Meaningfully Monitor

Effectively Embed
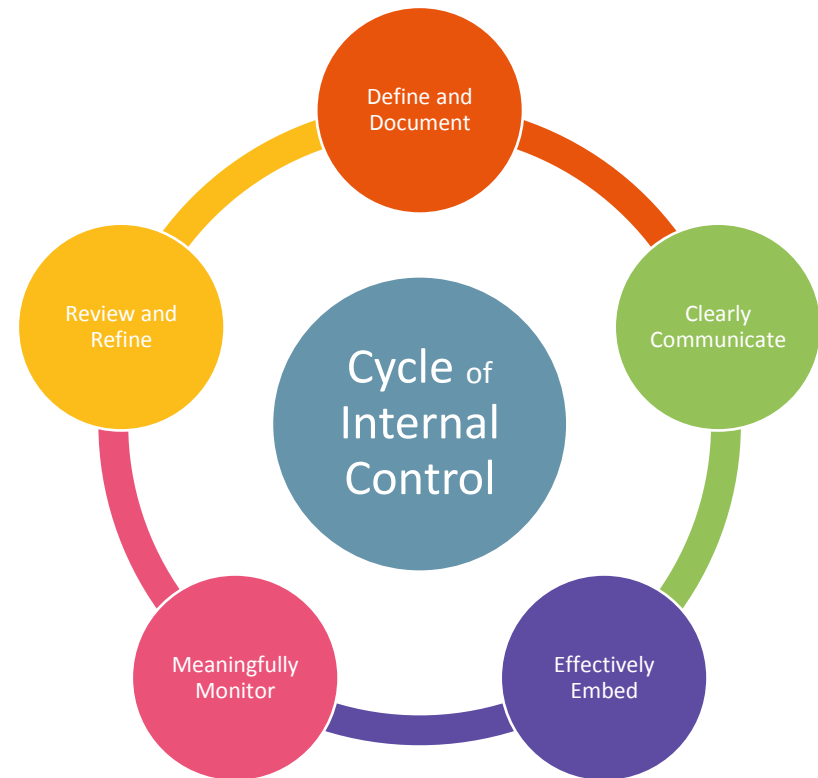
Define and Document

6. Policy and Strategy

7. The council's Risk Management Policy is a formal acknowledgement of the council's commitment to managing risk. The Policy is accompanied by a Risk Management Strategy, which contains details of the arrangements for manging risk within the council and acts as a reference point for staff and members. Together, these aim to ensure there is an effective, robust, consistent and communicated way of managing risk across the council.

8. In 2021, the Risk Management Policy and Strategy were reviewed and updated to ensure they are up to date, fit for purpose and reflect changes in sector best practice and guidance. The Policy and Strategy were endorsed by Executive Board on 21st July 2021 before being publicised to council staff and Elected Members on InSite (the council's internal information platform).

9. The Risk Management Strategy includes definitions of what 'risk' is:

- The effect of uncertainty on objectives[1]
- [Risk is] a situation involving exposure to danger[2]
- [Risk is] An uncertain event or set of events which, should it occur, will have an effect on the achievement of objectives; a risk is measured by a combination of the probability of a perceived threat or opportunity occurring and the magnitude of its impact on objectives[3]

10. Roles and responsibilities

11. The council's Intelligence and Policy Service (IPS) lead on the authority's central risk management function. This responsibility includes maintaining the council's Risk Management Policy and Strategy, maintaining the Corporate Risk Register, co-ordinating the quarterly updates of directorate risk registers, facilitating risk management workshops and providing training and guidance, drawing on the latest good practice and legislative and regulatory requirements.

[1] ISO 31000 Risk Management – Guidelines (2018)
[2] Oxford Dictionaries
[3] Managing Successful Programmes (OGC)

12. Risk documentation

13. Corporate, directorate, programme and project risk registers continue to be maintained. These registers are an essential information tool for documenting the risks, their ownership, assessment and how they are being managed. Corporate and directorate risks are maintained on the council's Risk Management SharePoint site. The details of each risk held on the system include: risk title and description, ownership responsibilities, current risk rating (based on probability and impact scores), the sources of the risk, the consequences (impact) should the risk arise, existing controls in place to manage the risk and any further action required to treat the risk. The format of the risk information on the system helps ensure that a consistent level of information is provided to explain what the risk is and how it is being managed.

14. The Risk Management Strategy includes details of the roles and responsibilities required for each risk, as seen in the table below:

Role	Responsibilities
Risk owner	The person who is responsible and accountable for the risk. This should be someone with knowledge of the risk area and sufficient seniority to enable them to allocate resources to manage the risk and to ensure that actions required to treat it are completed.
Delegated risk owner	The risk owner may allocate someone else, of appropriate seniority and who is perhaps closer to the service to which the risk relates, to oversee the risk on their behalf. The delegated risk owner reports progress in managing the risk to the owner.
Key contact	A person responsible for the day-today management of the risk and who reports to the delegated owner.

15. Corporate risks are owned by the relevant director, with delegated ownership usually allocated to a Chief Officer. Directorate risks are usually owned by the relevant Chief Officer, with delegated ownership allocated to a Head of Service. In some circumstances, the director may choose to be the risk owner

16. Financial risks are included within both the corporate and directorate risk registers with updates also provided to Executive Board and Full Council through the budget reports and to Executive Board through Medium-Term Financial Strategy (MTFS) reports. An annual assurance report on the financial management and control arrangements and compliance with the Chief

Finance Officer protocol was reviewed by this Committee on 15th March 2021, the report providing assurance that the council has in place effective and robust arrangements for financial planning, financial control and other financial management activities which are fit for purpose, up to date and embedded across the organisation.

17. Democratic Oversight

18. The corporate risk register continues to house those risks of significant, cross-cutting importance that require the attention of the council's most senior managers and elected members. Each of the corporate risks has named risk owners - a lead portfolio member and a member of the Corporate Leadership Team, (comprising the Chief Executive and directors) - who are jointly accountable for their management. The Executive Board as a whole retains ultimate responsibility.

19. The nature of risks is that they come and go as the environment changes. However, there are a set of 'standing' corporate risks that will most likely always face the council, as seen in the following table along with details of their risk ownership:

Risk area	Accountability - Director	Accountability – Executive Member
Safeguarding children	Sal Tariq, Director of Children and Families	Cllr F Venner: Executive Member for Children, Families and Adult Social Care
Safeguarding adults	Cath Roff, Director of Adults and Health	Cllr F Venner: Executive Member for Children, Families and Adult Social Care
Health & Safety	Neil Evans, Director of Resources	Cllr J Lewis: Leader of Council and Executive Member for Resources
City resilience	Neil Evans, Director of Resources	Cllr J Lewis: Leader of Council and Executive Member for Resources
Council resilience	Neil Evans, Director of Resources	Cllr J Lewis: Leader of Council and Executive Member for Resources
In-year budget	Neil Evans, Director of Resources	Cllr J Lewis: Leader of Council and Executive Member for Resources

Risk area	Accountability - Director	Accountability – Executive Member
Medium-term financial position	Neil Evans, Director of Resources	Cllr J Lewis: Leader of Council and Executive Member for Resources
Information management	Neil Evans, Director of Resources	Cllr J Lewis: Leader of Council and Executive Member for Resources
Climate change	Neil Evans, Director of Resources	Cllr H Hayden: Executive Member for Climate Change, Transport and Sustainable Development

20. Assurances for all 'standing risks' and the four additional risks currently rated as 'red' – i.e., of the highest significance - are provided through the Annual Corporate Risk Management report considered at Executive Board in July 2021. The details provided in the assurances include the key controls in place and future work planned to manage and mitigate against the risk. The four additional risks currently rated as 'red' are: coronavirus, economic growth, cyber risk and major flooding. Please click here to read the report: Item 12, pages 141-163.

21. The guidance and template for Committee and Executive Board reports for decision making was reviewed and updated earlier in 2021. The new template maintained the requirement for report authors to detail the key risks relevant to their report and how they are being managed.

Clearly Communicate

22. Guidance and information

23. The main source of risk management information and guidance within the council is the Risk Management toolkit InSite page, which was updated in 2021 as part of the work undertaken on the Risk Management Policy and Strategy. As well as containing a copy of the Policy and Strategy, the toolkit contains links to related documents (including the Annual Risk Report to Executive Board), guidance notes (e.g., 'What are risks?'), FAQs, key contacts and relevant external risk websites.

24. The review of the council's Risk Management Policy and Strategy involved consultation and engagement with relevant senior officers across the council, the Corporate Leadership Team (CLT) and the Council Leader, who's Executive Board Portfolio includes risk management. Additionally, the review took into consideration the format and content of risk management policies and strategies from a number of other local authorities, in particular the UK Core Cities[4].

25. The latest corporate risk map continues to be published internally on InSite and externally through the leeds.gov website with annual reports to Executive Board on the council's most significant risks also publicly available (the risk map was included in the annual risk report to the Executive Board in July.)

26. The Covid-19 pandemic has seen a significant test of our risk management arrangements, with risk management forming a key part of our pandemic response and recovery plans and our multi-agency partnership work. The coronavirus risk remains on the corporate risk register and details of risks and relevant actions continue to be included in the 'Update on Coronavirus (COVID-19) Pandemic – Response & Recovery plan' reported to Executive Board. Updates were initially every month since April 2020 but are now moving towards being provided on a less frequent basis as we are in more of a "steady state" of living with the virus. The corporate risk is updated with details from 'Silver Groups', each one covering a different aspect, these being: Health & Social Care; Communities, Business & Economy; Infrastructure & Supplies; Communication; and Organisational Impact. These groups form part of the ongoing strategic activity in place across the council to identify and manage Covid-related risks. The council's risk management framework also plays an important role in the city's multi-agency command and control arrangements, which have been developed further in response to COVID-19 to facilitate the coordination and communication on a set of complex interrelated challenges.

27. A Partnership Governance and Risk checklist has been developed for use by council services to help ensure that potential risks are covered during discussions about working with partner organisations. The checklist will help highlight any significant gaps in the control framework for the partnership, so that these can be addressed, and action taken to mitigate future problems. The guidance on how to use it, is available in InSite. The checklist has been discussed at Directorate Management Teams as part of the routine risk reporting undertaken.

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[4] Core Cities UK is a partnership of eleven city councils (Belfast, Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield) with a wide range of shared interests encompassing transport and connectivity, innovation and business support, skills and employment, sustainable communities, culture and creative industries, climate change, finance and industry, and governance.

28. <u>Training</u>

29. The Risk Management Strategy recognises the importance for elected members and staff develop a knowledge and general understanding of risk management. Risk management training is provided by the IPS and can be tailored to suit specific needs, of elected members, management or operational staff. Risk management training can also be combined with the linked topics of the Best Council Plan and Performance Management. Risk Management training sessions are being scheduled in early 2022 for the Housing Service and for members of the Corporate Governance and Audit Committee.

30. Training on how to administer risks using the Risk Management SharePoint site continues to be provided where required i.e., for new users of the system and is available either in 'one to one' or in group sessions.

31. Risk management workshops continue to be offered to council services throughout the year despite the limitations on meeting face to face as a result of the pandemic and work from home directive. In spring 2021, IPS facilitated online workshops for the Core Business Transformation programme team which received positive feedback from the participants. The objectives of the workshops can incorporate an element of risk management training if required. The IPS is currently working with colleagues in the council's Corporate Procurement Unit, advising them on how to develop a risk register for their service.

32. Further details and guidance about risk management, including how to request training and workshops can be found on the Risk Management InSite page.

33. The IPS Intelligence and Policy Manager is a member of professional bodies: the <u>Institute of Risk Management</u> and <u>ALARM</u>[5], both of which include risk management within their remit.

34. <u>Leadership</u>

35. The Risk Management Policy was endorsed by both the Leader of the Council and the Chief Executive, demonstrating the 'tone from the top' about the important role that risk management plays within the council.

36. As detailed in points 20 and 46 of this report, members of Executive Board and the Corporate Leadership Team receive risk management reports during the year, and they can request updates on specific risk matters from the IPS or relevant directorate leads.

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[5] ALARM is a risk management organisation that develops industry leading best practice for those managing risk and insurance

Effectively Embed

37. Policy and Strategy engagement

38. The arrangements in place to manage the council's risks are embedded and therefore subject to consultation and engagement on an ongoing basis. Consultation is undertaken as part of risk management best practice and is in line with the roles and responsibilities set out in the Risk Management Policy and Strategy (and seen in point 14 above).

39. The Risk Management Strategy and Policy and the Partnership Governance and Risk Checklist (points 24 and 27 above) were promoted through DMTs and at CLT and their availability was publicised in InSite.

40. Stakeholder engagement

41. Key stakeholders continue to be engaged in maintaining the council's corporate risk management arrangements. As well as this Committee, these include the Executive Board, Strategy and Resources Scrutiny Board and the Corporate Leadership Team.

42. Prior to the quarterly risk review, update and reporting, meetings take place between the staff with responsibility for administering the risk updates in IPS, Children & Families and Adults & Health. The agenda for these meetings covers any issues arising from the risk management process, horizon scanning of risk topics in the news, and sharing best practice on how risks are administered and reported.

43. Regular meetings continue to take place between IPS and the Head of Internal Audit (who's remit also includes Insurance) to share information on:

- Emerging themes from Internal Audit reviews and reports regarding control weaknesses / failures and risks arising
- Feedback to Internal Audit on any new risks/risk areas identified and any changes to existing risks
- Specific risk management work carried out, including risk workshops and training delivered
- Insurance aspects relevant to corporate and directorate risks

Meaningfully Monitor

44. General

45. The need to monitor and update risks and is a key part of the Risk Management Process, as detailed in the Risk Management Strategy and seen in the following diagram:

46. Corporate and directorate risks are reviewed quarterly by the key contacts and risk owners to ensure the risks are kept 'live' and they promptly reflect the controls and actions taken to mitigate or manage them. IPS staff check the details for each risk on the Risk Management SharePoint site to confirm whether they have been reviewed and updated that quarter and follow up any that have no evidence of being updated. The risks are reported in the first instance to the relevant directorate

management teams. Corporate risks are reported to CLT for collective review and discussion. This process includes providing quarterly updates on the risk status of the council's programmes and projects to the Strategic Investment Board.

47. New risks are identified at DMT meetings, CLT, conversations with services or through horizon scanning. Any proposed directorate or corporate risks are taken to DMTs as part of the reporting process discussed above and included with the report to CLT if required for corporate risks. Examples of new risks at directorate level raised during 2021/22 include Contractor registration (for tax purposes), Waste disposal permit and Revenues streams (which feeds into the corporate risk on In-year budget).

48. <u>Benchmarking</u>

49. Earlier in 2021, the IPS undertook a review comparing the risks on the council's corporate risk register to those of the other UK Core Cities. The review was useful in that it confirmed the similar nature of the corporate risks on the registers, but also identified differences in the way similar risks are described.

50. <u>Escalation process in placed and used appropriately</u>

51. The risk reporting process outlined in the Risk Policy and Strategy facilitates the raising and discussion of new and emerging risks at DMTs and CLT and encourages the escalation of risks to a higher-level risk register where necessary. All directors have the opportunity to raise prospective risks to CLT at any time and through routine quarterly risk reporting. When a member of IPS attends DMTs to discuss the quarterly risk report, the question is always asked whether there are any new risks to add and whether any existing risks need to be changed. An example of a risk escalated from directorate to corporate level during 2021 is 'Workforce Planning' which includes the ongoing impact of the pandemic on staffing resources.

Review and Refine

52. <u>Legislation and Guidance</u>

53. The council's risk management arrangements support the authority's compliance with the statutory requirement under the Accounts & Audit Regulations 2015 to have 'a sound system of internal control which facilitates the effective exercise of that

body's functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and which includes arrangements for the management of risk.'.

54. The recent update to the Strategy and Policy considered the latest guidance, such as that from ALARM[6], and relevant standards including ISO 31000[7] and the HM Treasury 'Orange book'. The main outcome from this consideration was that there is no 'one size fits all' approach for developing risk management arrangements and strategies, as organisations differ in their size and complexity.

55. National Risk Register

56. The risk management arrangements take into consideration the National Risk Assessment (NRA), published by the Cabinet Office. The NRA captures the changing risk landscape affecting the UK and is also used to inform the more local West Yorkshire Community Risk Register. A member of the council's IPS attends the West Yorkshire Resilience Forum Risk & Capabilities Sub-group which provides an excellent conduit for horizon scanning of changes to risks and threats. Together the NRA, West Yorkshire Community Risk Register and the work of the West Yorkshire Resilience Forum informs the review and update of the council's corporate risks on City Resilience and Council Resilience.

57. Internal service review

58. In 2021 the IPS was undertook a service review in line with the broader capacity reductions seen across the council due to the ongoing financial challenges. Although the review resulted in a reduction in IPS staffing numbers, it also represented an opportunity to streamline the format and content of some risk management information reports.

59. Survey of Internal Control

60. In May 2021, the council undertook a new Survey of Internal Control[8] in order 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.

61. The survey included questions relating to arrangements for Risk Management. Respondents were asked to rate the extent to which staff were aware of and working in accordance with the following:

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[6] ALARM is a risk management organisation that develops industry leading best practice for those managing risk and insurance
[7] In 2018, the International Organization for Standardization issued updated risk management guidelines (ISO 31000).
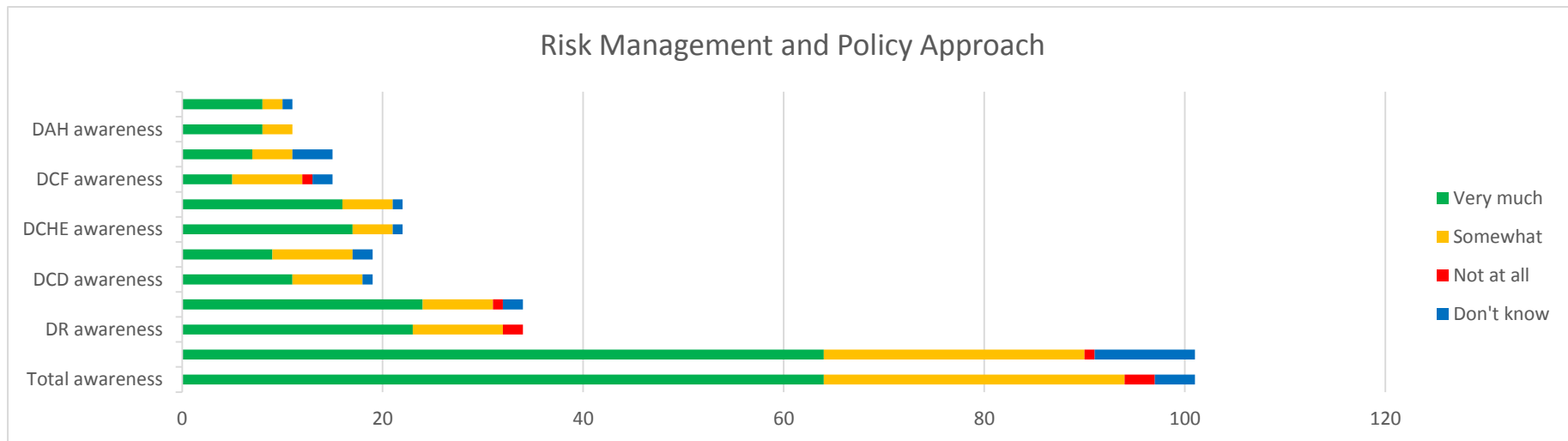
[8] A smart survey conducted amongst senior officers to support the review of internal control underpinning the Council's Annual Governance Statement

- The Council's risk management Policy and approach
- Arrangements to identify and record new and emerging risks
- Arrangements to develop and review the control assessment for each risk
- Arrangements to report, and where necessary escalate, significant risks
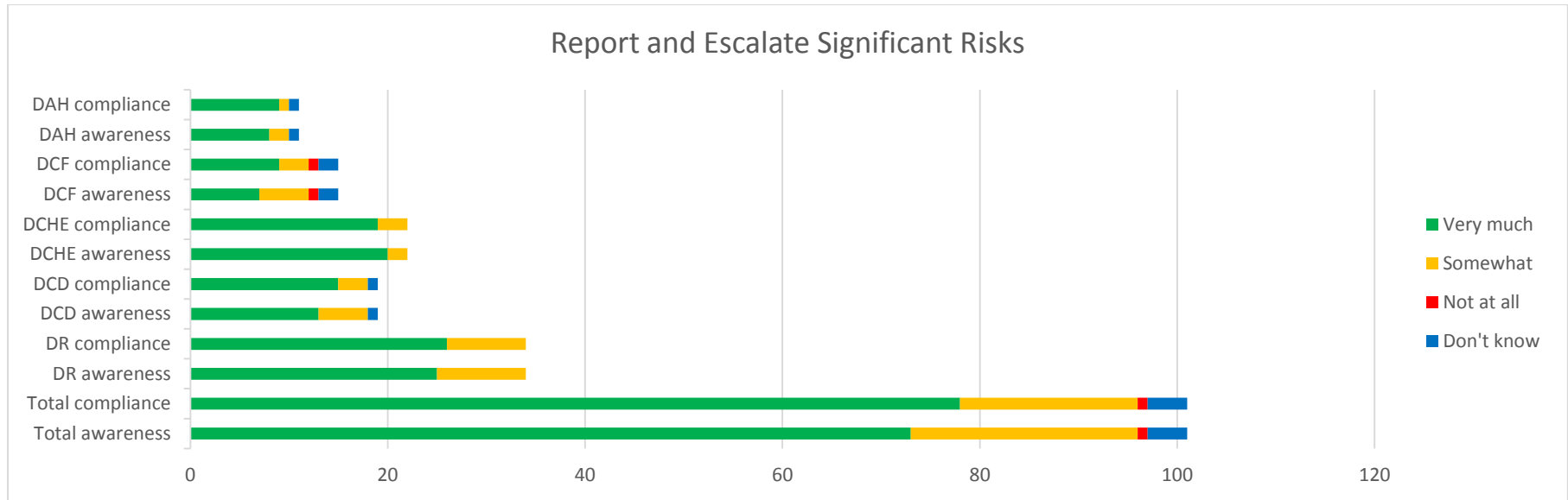- Arrangements to manage each identified risk

62. Although the survey was conducted prior to the approval and roll out of the updated Risk Management Policy and Strategy, the results were generally positive with the 'very much' responses being over 50% in all areas and much higher in 'Report and Escalate Risks'.

63. However, across all areas the percentage of 'somewhat' responses (seen in yellow on the chats overleaf) indicate that more needs to be done to promote these aspects of risk management. The updates made to the Risk Management Policy, Strategy and InSite toolkit along with their promotion since summer 2021 will aim to improve these results.

64. The results from the survey included a consideration of the impact of Covid – that there was an increased knowledge of risk management as a result of risk assessments for safe working during pandemic

Risk Management and Policy Approach

Identify and Record new Risks

Control Assessment for Risk

Report and Escalate Significant Risks

Legend: Very much (green), Somewhat (yellow), Not at all (red), Don't know (blue)

Categories (top to bottom): DAH compliance, DAH awareness, DCF compliance, DCF awareness, DCHE compliance, DCHE awareness, DCD compliance, DCD awareness, DR compliance, DR awareness, Total compliance, Total awareness

Manage Identified Risks

Legend: Very much (green), Somewhat (yellow), Not at all (red), Don't know (blue)

Categories (top to bottom): DAH compliance, DAH awareness, DCF compliance, DCF awareness, DCHE compliance, DCHE awareness, DCD compliance, DCD awareness, DR compliance, DR awareness, Total compliance, Total awareness

65. <u>Opportunities for Improvement</u>

66. The main opportunities for improvement stem from the ongoing work promoting the Risk Management Policy and Strategy, Additionally, work is underway replace the Best Council Plan with a more externally facing and partnership focused City Ambition from February 2022. Executive Board agreed the Best City Ambition in principle at their meeting on 20th October 2021 and received an update report in December 2021 which presented initial proposals and a draft City Ambition. The adoption of a City Ambition will require a review of the corporate risks to check that they are aligned to the new Ambition. This will be undertaken as proposals are developed and reported on in line with usual risk reporting processes.

67. Further work will be undertaken over the next year on promoting use of the Partnership Governance and Risk checklist discussed at point 27 above and embedding it in all the work the council carries out with partner organisations.

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Report author: Tim Rollett

Tel: 378 9235

Annual Business Continuity Report

Date: 17th December 2021

Report of: Director for Resources

Report to: Consultative Meeting of Members of the 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

- The purpose of this annual report is to provide the Corporate Governance & Audit Committee with assurances relating to the adequacy of internal business continuity management controls currently in place in the council; that they are up to date; fit for purpose; effectively communicated and routinely complied with.

- Business continuity management (BCM) is a process that helps manage risks to the smooth running of an organisation or delivery of a service, ensuring continuity of critical functions in the event of a disruption, and effective recovery afterwards. It is a statutory duty under the Civil Contingencies Act 2004 that all Category 1 responders[1] have Business Continuity Plans (BCP's) in place to be able to continue to deliver critical aspects of their day-to-day functions in the event of an emergency or disruptive incident.

- Business continuity management contributes to the delivery of the outcomes and best city priorities set out in the Best Council Plan. Should the council fail to recover promptly from a major business continuity incident, the achievement of the Best Council Plan will be adversely affected.

- Using the cycle of internal control framework, Members will be provided with an overview of The council's Business Continuity Management arrangements.

Recommendations

a) Members are requested to receive this report and the assurances provided within it and the attached appendix 1, noting that the business continuity arrangements are fit for purpose, up to date, are routinely complied with, have been effectively communicated and are monitored.

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[1] Local authorities are Category 1 responders as they have a wide range of capabilities/resources which can be called upon in support of the emergency services during an emergency, including key statutory responsibilities such as environmental health, housing, social services and highways.

Why is the proposal being put forward?

1   To provide assurance to the Committee of the adequacy of the internal business continuity management controls currently in place across the council and to inform them of work in progress to ensure they are kept up to date.

2   To provide an overview of the internal controls to ensure that the council's business continuity arrangements continue to maintain alignment with changes to risk and good practice guidance.

3   To note and seek comment from the Committee regarding any issues and barriers obstructing the implementation and embedding of the internal business continuity management controls.

What impact will this proposal have?

Wards affected:	
Have ward members been consulted? ☐ Yes ☒No	

4   The report provides assurance to the Committee that Leeds City Council is meeting the regulations and duties of the Civil Contingencies Act 2004.

What consultation and engagement has taken place?

5   Internal: The services or functions assessed as being critical or having critical elements are identified by the Directorate Resilience Groups and/or Directorate Management Teams. These groups meet during the year to discuss business continuity management arrangements and to help ensure that the business continuity plans within their remit are being kept up to date.

6   External: The council is fully engaged with the West Yorkshire Resilience Forum and the collaborative working between partner organisations helps meet the requirements of the Civil Contingencies Act 2004.

What are the resource implications?

7   There are no financial or resource implications arising from this report.

What are the legal implications?

8   The Civil Contingencies Act 2004 requires Category 1 responders (including local authorities) to develop and maintain Business Continuity Plans to ensure that they can continue to perform their key services and functions in the event of an emergency, so far as is reasonably practicable.

9   Many of the council services having implemented Business Continuity Plans have a duty of care or a regulatory requirement to provide their service. This extends to maintaining services during an emergency or disruptive incident.

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

10   This report provides assurance on the arrangements within the council to manage business continuity risks. These arrangements are captured within the council's corporate risks on 'City Resilience' and 'Council Resilience' (also known as 'Major incident in the city' and

'Major incident in the council') with regular reporting to the Corporate Leadership Team and annually to the Executive Board.

11 Staff with risk and business continuity management responsibilities have a duty to assess the risks and determine the threats to the council and its operations.

12 In addition, the West Yorkshire Community Risk Register (derived from the National Security Risk Assessment) compiled and maintained by the West Yorkshire Resilience Forum, informs the development of emergency and business continuity plans and arrangements.

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

☒ Inclusive Growth   ☒ Health and Wellbeing   ☒ Climate Emergency

13 The BCM arrangements support each of the council's three pillars. Each pillar has risks that could impact on their achievement and the Policy and Strategy aim to ensure that these risks are identified and managed to prevent their occurrence or to mitigate their impact should they arise.

Options, timescales and measuring success

a) **What other options were considered?**

14 Not applicable

b) **How will success be measured?**

15 Not applicable

c) **What is the timetable for implementation?**

16 Not applicable

Appendices

17 Appendix 1: Cycle of Internal Control Framework in relation to Business Continuity Management
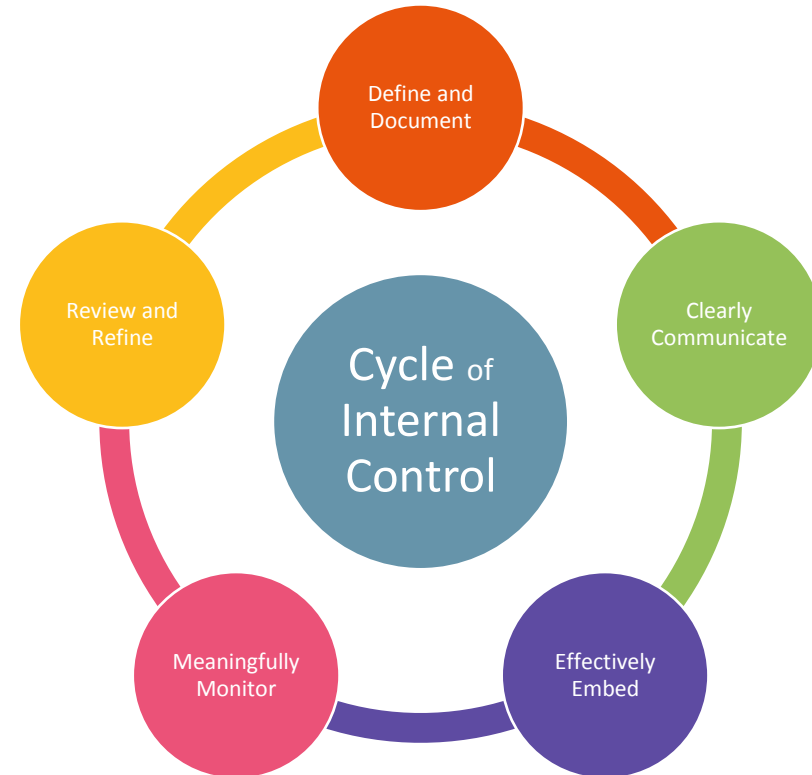
Background papers

18 None

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Introduction

1. This report provides the Corporate Governance & Audit Committee with assurances relating to the adequacy of business continuity management controls currently in place in the council; that they are up to date, fit for purpose, embedded and routinely applied.

2. The information in this appendix is based around a 'cycle of internal control framework' which consists of five aspects, seen in the diagram opposite.

3. Business Continuity Management (BCM) is a process that helps manage risks to the smooth running of an organisation or delivery of a service, ensuring continuity of critical functions in the event of a disruption, and effective recovery afterwards. Leeds City Council (the council) recognises the benefits of having efficient and effective business continuity management arrangements in place. Not only is BCM good practice, but it is also a requirement of the Civil Contingencies Act 2004, which made it a statutory duty of all Category 1 responders (which includes local authorities) to have in place business continuity plans (BC Plans).

4. A Business Continuity Programme was initiated by the council to coincide with the publication of BS ISO 22301:2012 'Business Continuity Management Systems – Requirements'. The programme was successfully completed in September 2015 and is currently maintained by the council's Intelligence and Policy Service (IPS).

5. The statement includes opportunities that have been identified to improve these arrangements.

Cycle of Internal Control

- Define and Document
- Clearly Communicate
- Effectively Embed
- Meaningfully Monitor
- Review and Refine

Define and Document

7. Policy and Strategy

8. The council has a documented 'Business Continuity Policy' and a 'Business Continuity Strategy', which are available on the internal InSite page. The Policy sets out the council's commitment and approach to business continuity management, whilst the Strategy provides the framework for directorates and services to develop, implement and maintain business continuity arrangements for their critical or prioritised services and functions. The Business Continuity Policy and Strategy are scheduled for review in 2022.

9. The principal objectives of the Business Continuity Policy are:

   • minimise the impact of disruption to critical or prioritised services or functions, particularly those that would impact the local community, by effectively planning for the continuance and/or recovery of services during and following an incident or disruption

   • ensure that the council meets its statutory and regulatory responsibilities relating to BCM including multi-agency co-operation and the provision of advice and assistance to the commercial sector and voluntary organisations

   • embed a consistent approach to BCM as a core activity and an integral part of our business culture at all levels of the council. This is achieved through training and awareness activities

10. Furthermore, it is the council's policy to:

    • understand the business by undertaking Business Impact Analysis (BIA's) and risk assessments

    • determine BCM strategies and their potential effectiveness

    • develop and implement a BCM response by developing business continuity plans detailing the steps to be taken during and after an incident or disruption

    • build and embed a BCM culture by raising awareness throughout the council, its key stakeholders and commissioned service providers

    • exercise, maintain, audit and self-assess to ensure that business continuity plans remain fit for purpose and can be effectively activated

11. Underpinning the Policy and Strategy are over 80 business continuity plans (BC Plans) covering the council's critical services and functions. The BC Plans are documented procedures that guide organisations to respond, recover, resume and restore continuity of the services and functions in the event of an emergency or disruptive incident, in particular loss or disruption to: staff resources; buildings and work environment; information communications technology; information and data; suppliers and contractors and plant, vehicles, equipment and consumables. The BC Plans are owned and maintained by the respective services across the five council directorates.

12. Roles and responsibilities

13. The Civil Contingencies Act 2004 imposes a clear set of roles and responsibilities on those organisations with a role to play in preparing for and responding to emergencies. The Act requires all Category 1 responders to maintain BC Plans to ensure that they continue to deliver critical aspects of their day-to-day functions in the event of an emergency or disruptive incident.

14. The main roles and responsibilities for business continuity management within the council are:

Entity	Roles and responsibilities
Executive Board and Council Leader	The council's Executive Board has high-level decision-making responsibility for business continuity management with this authority delegated to the Director of Resources. Linked to this, the Leader has oversight of business continuity within his portfolio. As with all executive delegations to officers, the portfolio holder may require, or the director may choose, to refer a business continuity matter to the Executive Board.
Corporate Leadership Team[1]	The Corporate Leadership Team (CLT) has responsibility for ensuring that there are appropriate arrangements in place to manage emergencies or disruptions, both those within their respective directorates and also ones with a cross-cutting or wider impact. This may necessitate managing an incident which affects both the community and the council's ability to deliver its own services simultaneously and may require the activation of the Emergency Management Plan.
Directorates: Management Teams and Resilience Groups	Directorate Management Teams[2] role includes the provision of assurance to each director that critical services or functions within the directorate are identified and that suitable business continuity arrangements are developed, implemented and maintained. Where necessary, some directorates have a Directorate Resilience Group (DRG) which meets to discuss and review business continuity management and emergency planning matters at a more operational level. Any significant matters arising from the DRG meetings are escalated to the Directorate Management Team for further discussion and action.
Service Managers / Service Leadership Teams[3] (SLTs)	Service Managers have responsibility to complete Business Impact Analysis (BIAs) to identify the criticality of their services and, based on the results, develop BC Plans and ensure that they

[1] Corporate Leadership Team consists of the council's Chief Executive and directors.
[2] Directorate Management Teams consist of the relevant Director and Chief Officers and meet regularly to discuss issues affecting the directorate and its services. Other staff e.g., Heads of Service may be required to attend DMTs for specific items.
[3] Service Leadership Teams (SLTs) sit below DMTs and relate to specific services and functions within directorates.

Entity	Roles and responsibilities
	are fully implemented and kept up to date. Implementation includes ensuring staff awareness of their business continuity roles and responsibilities, testing and exercising of the plans, acting upon the findings of the tests and ensuring annual reviews are completed.
Intelligence and Policy Service (IPS)	In November 2020, corporate oversight for Business Continuity Management, including reporting to Elected Member Boards and Committees, transferred internally from the Resilience and Emergencies Team (RET) to the Intelligence and Policy Service (IPS). The IPS has existing responsibility for Corporate Risk Management arrangements, and this aligns closely with those for Business Continuity Management. IPS and RET staff work closely together on matters of risk management, emergency planning and business continuity management and are both part of the Strategy and Improvement Service, reporting to the Chief Officer, Strategy & Policy. The IPS provides business continuity support to service managers across the council on a wide range of aspects including the completion of business impact analysis'; the development of BC Plans and undertaking exercises to test the plans. The IPS manages and updates the Business Continuity Management Toolkit on InSite[4] and reports progress with completion of annual reviews to the relevant Directorate Management Team and DRGs.
Business Continuity Plan Owners	The person responsible for the BC Plan and who will activate it should a disruptive event occur. The Plan Owner is usually Chief Officer or Head of Service.
Business Continuity Plan Key Contact	The Key Contact has responsibility for the day-to-day administration of the BC Plan including its annual review and update. There may be more than one Key Contact for each plan.

15. Democratic Oversight

16. In addition to the democratic responsibilities seen in the table above, further oversight is provided via an annual report on the Business Continuity Management arrangements to the Corporate Governance & Audit Committee. From this report, the Committee gains assurance that the arrangements are fit for purpose, up to date and routinely complied with. The Chair of the Committee signs the Annual Governance Statement which includes Business Continuity Management.

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[4] InSite is the council's internal Intranet site, providing information and guidance to staff end Elected Members

17. The Annual Corporate Risk Report to Executive Board includes assurances for two corporate risks that relate to business continuity management and emergency planning, City Resilience and Council Resilience. The assurances include details of what the risks are, the main controls in place to manage them, any further work required and signposting to additional relevant information and reports. The Annual Corporate Risk Report is also provided to the Strategy & Resources Scrutiny Board.

Clearly Communicate

18. Training

19. Business continuity related training takes the form of one-to-one assistance or workshop style events to support the completion of business impact analyses and development of business continuity plans. During 2021, assistance and training has focussed on piloting an updated BC Plan template and also testing the new central SharePoint Teams site used to house electronic copes of the plans, further details of both can be found in the Review and Refine section of this report (points 56 to 59).

20. The IPS is available to facilitate short desk top based exercises to test both the business continuity plans and staff in a range of disruptive scenarios. Such exercises help with staff familiarisation of the plan's content. The outcomes from exercises informs the future update and development of the business continuity plans. As noted in Opportunities for Improvement (point 67), the BC Plan testing programme is to be reviewed and updated in 2022.

21. In September 2021, a desktop review exercise was undertaken with the Resources Leadership Forum[5]. The exercise required participants to consider the business continuity implications of an IT systems outage and what their services could do to prevent a cyber-attack. Similar desktop cyber-resilience exercises are planned for the four other council directorates in early 2022.

22. Guidance and information

23. The main source of guidance and information is the Business Continuity Management toolkit, available on the council's InSite. The toolkit comprises the Business Continuity Policy and Strategy, guidance and templates for Business Impact Analysis' and Business Continuity Plans, an Assessment Checklist and Core Responder Planning Assumptions. The blank templates include guidance to aid completion. The Assessment Checklist provides a tool to assess the content of the business continuity plans including those provided externally such as from suppliers. Guidance has been developed on how to use the new central SharePoint 'Teams' site and is to be used as part of the training being delivered when the application is rolled out to BC Plan key contacts in early 2022.

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[5] Resources Leadership Forum consists of officers in the Resources Directorate at JNC pay level (mainly Chief Officers and Heads of Service)

24. Information on Business Continuity Management is available externally on Leeds.gov as part of information on 'how to prepare your business for an emergency'.

25. Leadership

26. In July 2021, the Corporate Leadership Team agreed a number of changes to Business Continuity Management and Emergency Planning arrangements. These changes included commencing the routine quarterly reporting of Business Continuity and Emergency Planning matters to Directorate Management Teams (on the same agenda that their risks are reported). The reports provide a holistic view of the threats facing the council, how they can be managed and acts as a route for the two-way escalation and discussion of significant business continuity matters between directorates to the Corporate Leadership Team.

27. In autumn 2022, Business Continuity and Emergency Planning reports were discussed at all Directorate Management Teams, with the Intelligence and Policy Manager and Emergency Planning Officer in attendance to present the reports and answer questions on them. The matters escalated to CLT for discussion included winter pressures, the increase in UK threat level and ongoing cyber-resilience work.

28. These reporting arrangements demonstrate that BCM is given appropriate attention at high-level across the council.

Effectively Embed

29. Stakeholders

30. The main business continuity management stakeholders can be seen in the Roles and Responsibilities section of this report (points 12 to 14 above).

31. Stakeholders are engaged with using a range of methods that demonstrate engagement is both 'top-down' and 'bottom-up':

- Routine reporting to DMTs and CLT on business continuity matters (see point 26 above)

- Directorate Resilience Groups who meet to discuss operational business continuity management matters

- The IPS and RET attend Service Management Teams to discuss operational business continuity matters e.g., how to review, update and test BC Plans. This engagement includes risk management and emergency planning as well as business continuity, as demonstrated in the Resources Directorate Leadership Forum held in September 2021 (see point 21 above).

- The council has a business continuity email address (businesscontinuity@leeds.gov.uk.) for use used by staff, Elected Members and the public to get in touch regarding BCM matters. The email address is included on both the Leeds.gov and Insite pages.

- The Intelligence and Policy Manager responsible for central Business Continuity arrangements meets regularly (usually weekly) with the Emergency Planning Officer to share information and progress joint actions outlined in the Review and Refine section of this report. Recent meetings focussed on the piloting and testing of the central SharePoint 'Teams' site

- Regular meetings continue to take place between IPS's Intelligence and Policy Manager and the Head of Internal Audit to share information, including matters relevant to business continuity management.

32. Members of the IPS and RET are part of West Yorkshire Prepared, the local resilience forum that has responsibility for co-ordinating the actions and arrangements between responding services to prepare for and respond to civil emergencies when they occur. The Intelligence and Policy Manager attends the Business Continuity Sub-group which provides a conduit for sharing business continuity management information and updates e.g., incidents of note, lessons learned and topical matters such as winter weather preparations. The work of West Yorkshire Prepared informs the review and update of the council's corporate risks on City Resilience and Council Resilience. Relevant information from West Yorkshire Prepared is fed back to the relevant DRGs, DMTs and CLT as required.

33. Directorate Management Teams and DRG meetings provide the main opportunities to discuss the effectiveness of business continuity management within their remit, discussing current matters arising e.g., feedback from West Yorkshire Prepared, and to consider lessons learned arising from exercises and activations.

34. The Directorate Management Teams and DRGs are engaged with the annual review process to ensure that each BC Plan is fully reviewed as a minimum once a year. A 'Business Continuity Summary Report' is maintained, setting out the status of annual reviews in the form of a Red or Green rating for each plan. Although IPS maintain the annual review process, Directorate Management Teams and/or DRG's provide intervention where annual reviews have slipped and become overdue.

35. The IPS Intelligence and Policy Manager is a member of professional bodies: Chartered Institute of Public Finance & Accountancy, the Institute of Risk Management and ALARM[6], all of which include business continuity management within their remit.

36. Pandemic response

37. Since March 2020, the COVID-19 pandemic has resulted in a test of the council's business continuity arrangements. Some council services temporarily ceased operating, whilst others required staff to work from home, placing an increased demand on the digital infrastructure and systems.

38. The council's pandemic response and recovery actions are driven by 'Silver' command and control arrangements. Ongoing engagement with Chief Officers takes place to deliver an effective and consistent approach to recovery and resumption of services. The council

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[6] ALARM is a risk management organisation that develops industry leading best practice for those managing risk and insurance

continues to follow national guidance. As the council continues to recover from the effects of the pandemic, Cabinet and Executive Board are being provided with an updated picture about the service recovery position across the organisation and actions in hand.

39. The pandemic represented an opportunity to consider lessons learned and best practice for our Business Continuity Management arrangements and acted as one of the drivers for the review of BCM and Emergency Planning (outlined at points 26 and 59 of this report). The revised BC Plan template reflects the up-to-date arrangements for many staff to work at home or from alternative sites if their main workplace is not accessible.

40. The work done to prioritise services during the pandemic has been used to inform the review of the criticality of the current BC Plans (Point 59 below). This has helped identify some plans that are no longer classed as being 'critical' (but which are still maintained), some areas where a completely new plan is required (e.g., Financial Services: Revenue Collection and Business Administration Service) and the scope of some existing plans to be revised (e.g., Financial Services: Exchequer Services and IDS Infrastructure).

Meaningfully Monitor

41. <u>General</u>

42. The standard to which the council aligns development of business continuity is BS EN ISO 22301: 2019 'Business Continuity Management Systems Requirements'. The standard specifies the structure and requirements for implementing and maintaining a business continuity management system. The standard (paragraph 9.1) 'Monitoring, Measurement, Analysis and Evaluation' sets out guidelines to assist organisations.

43. An annual review process of the critical service BC Plans is coordinated by IPS and supported by the Directorate Management Teams and DRG's. An 'Annual Review Monitoring Sheet' is maintained to facilitate the annual reviews and lists all critical service plans, the plan owners and key contacts responsible for maintenance of each plan and the current status of each plan against its scheduled date of annual review.

44. <u>Benchmarking</u>

45. The opportunity to identify and share incidents of note, lessons learned and good practice between the other West Yorkshire Local Authorities and other partner organisations is facilitated via West Yorkshire Prepared.

46. In February 2020, Redcar and Cleveland Borough Council was subject to a ransomware cyber-attack which meant that no one in that council could access their electronic files or shared drives and the majority of work devices became unusable. The subsequent 'Impacts

and lessons from the 2020 cyber-attack' report is being used to inform our cyber-resilience arrangements and each critical service business continuity plan.

47. Data Security Protection Toolkit

48. The Data Security Protection Toolkit (DSPT) requirements are ten standards applying to all health and care organisations (including the council). The Caldicott Guardian annual report to this Committee includes the council's performance against the requirements of the DSPT. The 2020/21 DSPT submission raised that more work was needed in an aspect of business continuity management. The council has acknowledged this, and work was immediately initiated by the Intelligence and Policy Manager in conjunction with IDS to address this compliance gap. This work, which involves obtaining scores on the criticality of the information covered by each BC Plan, is scheduled to be completed by municipal year end 2021/22 in time for the DSPT submission on 30th June 2022. The Caldicott Guardian will report to this Committee at their February 2022 meeting.

49. Risks identified and mitigated

50. Development of the business continuity plans considers risk, identifying the threats and hazards that might impact a critical service or function and the arrangements to avoid, mitigate and recover should such risks occur.

51. Information sources of business continuity and resilience type risks (both internal and external) include the council's Corporate and Directorate Risk Registers, horizon scanning, and the West Yorkshire Community Risk Register which is derived from the National Risk Register. The National Risk Register, produced and updated every two years by the Cabinet Office, outlines the key malicious and non-malicious risks that could affect the UK in the next two years. The assessment is based on extensive data provided by lead government departments, the intelligence community and relevant risk experts. The 2020 assessment contains 38 risks organised into seven categories.

52. The West Yorkshire Community Risk Register (publicly accessible from the West Yorkshire Police Website) identifies the main risks that residents and businesses in West Yorkshire may face. The register forms the basis of multi-agency emergency planning, with each risk in the register having its own risk assessment. The risks contained within the register are shared with the DRG's and DLTs and are used to inform development of directorate response and recovery capabilities and development of business continuity plans.

53. The council's Corporate Risk Register contains a range of strategic, cross-cutting risks including a number linked to business continuity management: 'City Resilience', 'Council Resilience', 'Major cyber-incident' and 'Major Flooding'. The corporate risks are reviewed by the Corporate Leadership Team four times per year and include up to date commentary on progress and actions. As seen in the Democratic Oversight section of this report (points 15 and 16), the corporate risks are reported annually to Executive Board.

54. <u>Escalation process in placed and used appropriately</u>

55. In the event of any hazards or threats arising which cannot be mitigated at service level directly with the managers responsible, the issues can be escalated to the DRG and/or DMT for consideration and resolution. Escalation also acts as a way of reporting matters 'for information' e.g., the recent increase in UK threat level to 'severe', winter pressures and the National Risk Register update. Should a significant business continuity issue arise requiring attention at director level, this can be escalated to the Corporate Leadership Team as part of routine risk reporting (point 26 above), or more urgently via the Director of Resources.

Review and Refine

56. <u>Legislation and guidance</u>

57. The Civil Contingencies Act requirement to 'put in place Business Continuity Management arrangements' has been implemented in the council using the guidance contained within BS ISO 22301:2012 'Business Continuity Management Systems – Requirements'. BS ISO specifies the requirements to implement, maintain and improve a management system to protect against, reduce the likelihood of the occurrence of, prepare for, respond to and recover from disruptions when they arise.

58. <u>Up to date and fit for purpose</u>

59. As seen at point 26 of this report, earlier in 2021, CLT approved a review of Business Continuity arrangements and the organisation wide Emergency Management Plans to help ensure there is sufficient organisational resilience as the council moves out of the pandemic and that it continues to comply with civil contingency responsibilities. The Business Continuity Management aspect of the review considered the following:

- reflecting the recent organisational changes on the business continuity plans: that the plan owners and key contacts are fully up to date, whether each plan should still be classed as 'critical', whether any new plans are required, and whether the scope of any existing plans needs to be updated

- reviewing and updating the format of the business continuity plan template to ensure it is easy to understand and use and is 'agile'

- the development of a central, accessible, secure location for holding electronic copies of BC Plans and Incident Response Plans

- whether the current business continuity arrangements fully reflect how services and functions would deal with a prolonged cyber-outage and that they are not over reliant on the council's Integrated Digital Service (IDS) to provide solutions.

- Lessons learned to date from the impact of the Covid 19 pandemic.

- The routine reporting of Business Continuity and Emergency Planning matters to each Directorate Management Team (point 26 above).

60. Work in progress update

61. Work progresses to complete the review of Business Continuity arrangements. The following progress is noted:

- As part of the most recent round of quarterly reporting, each DMT received and discussed a report on Emergency Planning and Business Continuity Management.

- Each DMT or DRG has considered whether their plans are still 'critical' or not. Key contacts for the plans have been reviewed and updated.

- The format of the BC Plan template has been reviewed and updated. The new version is currently being piloted across a sample of critical services with a wider roll-out planned for 2022 once feedback has been considered. The guidance on how to create BC Plans has been updated to reflect the new format.

- A central, accessible SharePoint 'Teams' site has been developed to house the BC Plans. The site was recently tested to check its usability and positive comments were received on its ease of use. Additionally, the externally hosted Resilience Direct[7] site is to be used to house copies of BC Plans 'off network'. These arrangements aim to make the plans accessible in the event of a network outage.

- In September 2021, West Yorkshire Prepared hosted Exercise Emmett, a regional 'desktop' testing exercise that considered how organisations would deal with a major cyber-outage occurring at the same time as an emergency incident. The debrief report from the exercise has recently been published and the actions from it are being prepared in conjunction with colleagues from IDS.

- The outcomes from Exercise Emmett, the planned directorate cyber-resilience exercises (point 20) and the lessons learned report from Redcar and Cleveland Borough Council's cyber-attack (point 46) provide a driver for reviewing the arrangements documented in each BC Plan to deal with the prolonged unavailability of the systems they use.

62. Survey of Internal Control

63. In May 2021, the council undertook a new Survey of Internal Control[8] in order 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.
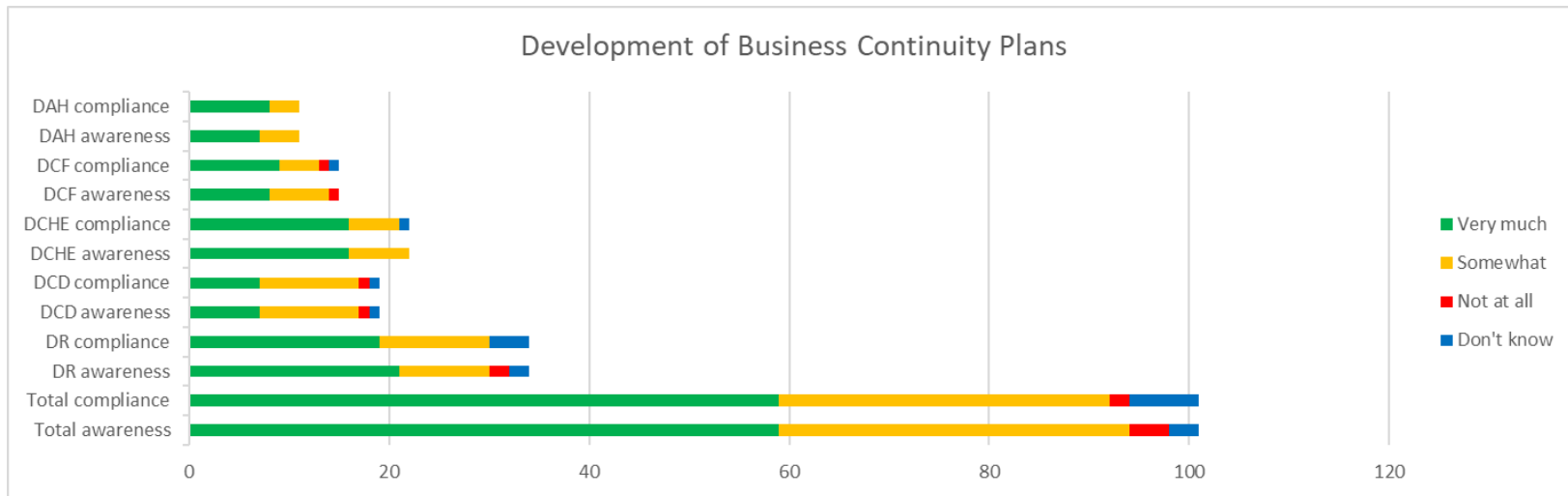
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[7] Resilience Direct is a web-based service built on a proven resilient and secure platform. It is accredited to hold electronic documents.
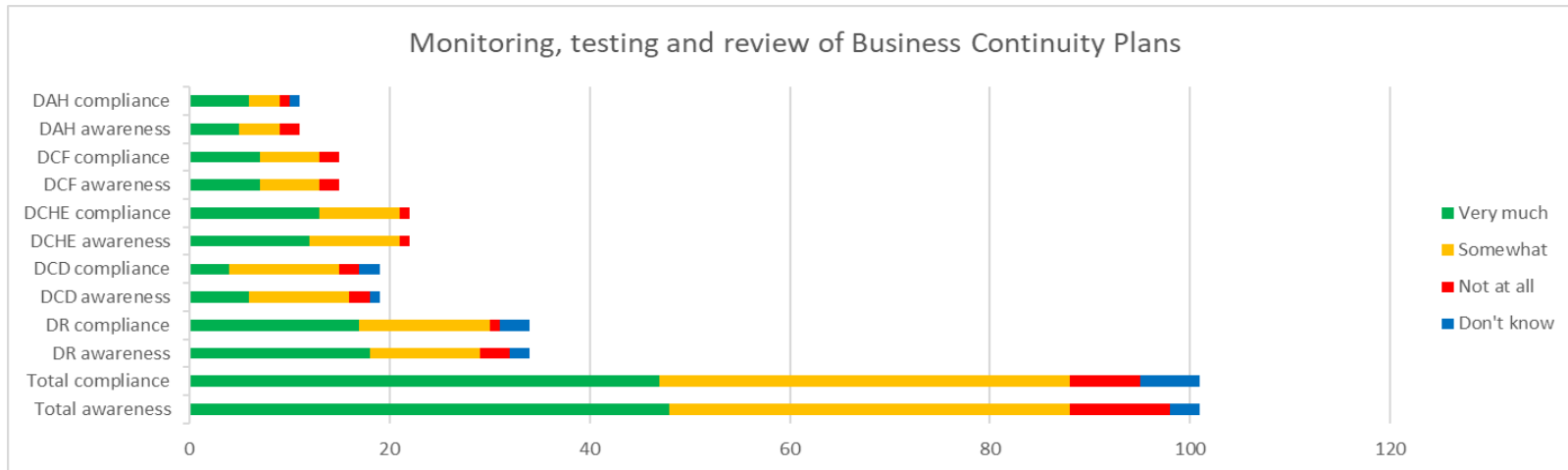[8] A smart survey conducted amongst senior officers to support the review of internal control underpinning the Council's Annual Governance Statement

64. The Survey included questions relating to arrangements for Business Continuity Management. Respondents were asked to rate the extent to which staff were aware of and working in accordance with the following:

- Business Continuity Plans developed for the service
- Arrangements for monitoring, testing and review of business continuity plans.

65. The results, which are set out in the charts below, whilst generally positive, indicate that due to the high level of 'somewhat' responses, there is room for improvement regarding the development and testing of Business Continuity Plans. As outlined in this report, the review of the business continuity arrangements includes changes to the format of the BC Plans, their accessibility and a review of the criticality of the plans. The review includes a fresh look at how the plans are tested. It is noted that the results were obtained prior to the work outlined in points 58 to 61 above.

Monitoring, testing and review of Business Continuity Plans

Chart legend:
- Very much (green)
- Somewhat (yellow)
- Not at all (red)
- Don't know (blue)

Categories (top to bottom): DAH compliance, DAH awareness, DCF compliance, DCF awareness, DCHE compliance, DCHE awareness, DCD compliance, DCD awareness, DR compliance, DR awareness, Total compliance, Total awareness

X-axis: 0, 20, 40, 60, 80, 100, 120

66. Opportunities for Improvement

67. In addition to the ongoing work detailed above (points 58 to 61), the main opportunities for improvement over the coming year are:

- The Business Continuity Policy and Strategy (including the Insite toolkit) are scheduled for review and update in 2022/23.

- The programme used to test the BC Plans is to be reviewed and updated, ready for use with the BC Plans once they have adopted the new streamlined template.

- Once Business Continuity plans have adopted the new template, a programme of peer reviews, where services check each other's plans to make sure they make sense and fully reflect any common aspects, is planned.

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Leeds
CITY COUNCIL

Annual assurance report on Corporate Performance Management arrangements

Date: 17th December 2021

Report of: Director of Resources

Report to: A Consultative Meeting of Members of the 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 annual report presents assurances to the Corporate Governance & Audit Committee on the effectiveness of the council's corporate performance management arrangements; that they are up to date; fit for purpose; effectively communicated and routinely complied with. The report provides a key source of assurance for the Committee to consider when approving the council's Annual Governance Statement.

Recommendations

a) Members are requested to 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.

Why is the proposal being put forward?

1   To provide Members with the opportunity to review the council's corporate performance 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.

What impact will this proposal have?

Wards affected:		
Have ward members been consulted?	☐ Yes	☒ No

2   The report provides a key source of assurance for the Committee to take into account when approving the council's Annual Governance Statement. Our performance arrangements

help us analyse and act on benchmarking and performance information as a means of improving services and delivering better outcomes for the citizens of Leeds.

What consultation and engagement has taken place?

3   A range of stakeholders are engaged with to help maintain and improve the council's corporate performance arrangements, including: Executive Board, Scrutiny Boards, the Corporate Leadership Team, Directorate Management Teams and colleagues from across the council involved with the production and reporting of performance information.

4   Regular engagement with Elected Members takes place through performance reporting to Executive Board and Scrutiny Boards.

What are the resource implications?

5   The Best Council Plan provides the strategic context for the council's budget and financial strategies with resources allocated in support of the Plan's ambitions, outcomes and priorities. Effectively monitoring and managing performance helps ensure that resources continue to be appropriately targeted, prioritised and deployed to help achieve value for money.

What are the legal implications?

6   Performance information on the Best Council Plan Key Performance Indicators (KPIs) is published on the council's website as are performance management reports on specific service areas and initiatives as requested by Scrutiny Boards.

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

7   There are no significant risks identified in the council's performance management arrangements.

8   The council's risk management framework recognises the links between performance and risk, with many of the KPIs also acting as 'key risk indicators', i.e., sources of information that indicate whether a risk is increasing in significance or not.

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

   ☒ Inclusive Growth   ☒ Health and Wellbeing   ☒ Climate Emergency

9   This report supports the council's three pillars by providing assurance on the arrangements for administering and reporting performance information underpinning each aspect.

Options, timescales and measuring success

 a) What other options were considered?

 10 N/A

 b) How will success be measured?

 11 N/A

 c) What is the timetable for implementation?

 12 N/A

 d)   Appendices

 13 Appendix 1: Annual assurance report on corporate performance management arrangements
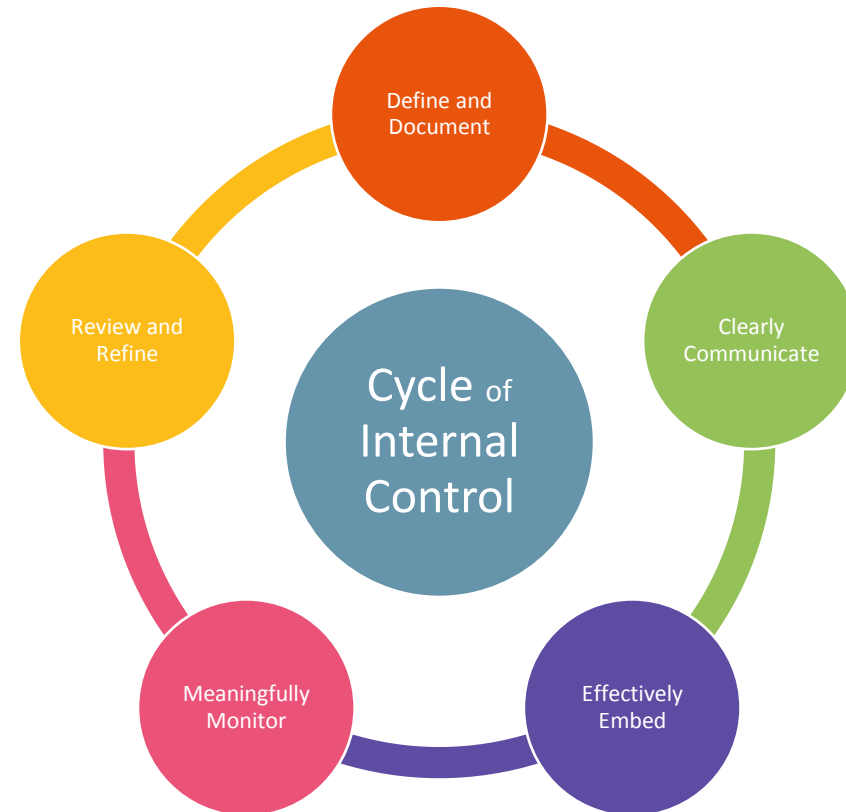
Background papers

14 None

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Introduction

1. This report provides the Corporate Governance & Audit Committee with assurances relating to the adequacy and effectiveness of the council's corporate performance management arrangements; that they are up to date, fit for purpose, embedded and routinely applied.

2. The information in this appendix is based around a 'cycle of internal control framework' which consists of five aspects, seen in the diagram opposite.

3. The strategic ambitions, outcomes and priorities of the council are set out in the Best Council Plan (BCP) which provides the framework for the council's performance management arrangements. The BCP incorporates a set of Key Performance Indicators (KPIs) that help measure progress over time against the outcomes and priorities set out in the BCP.

4. The report provides a key source of assurance for the Committee to consider when approving the council's Annual Governance Statement.

5. The statement includes opportunities that have been identified to improve these arrangements.

Cycle of Internal Control

- Define and Document
- Clearly Communicate
- Effectively Embed
- Meaningfully Monitor
- Review and Refine

Define and Document

7. Policy and Strategy

8. The strategic ambitions, outcomes and priorities of the council are set out in the Best Council Plan (BCP) which provides the framework for the council's performance management arrangements. The BCP draws on local and national circumstances and policy developments, the latest socio-economic analysis, local and regional partnership plans, and the council's budget-setting processes, and is developed through engagement with partners, officers, and elected members, including members of scrutiny boards.

9. The most recent complete update of the BCP, covering the period 2020 to 2025, and was approved by Full Council on 12th February 2020. However, due to the coronavirus pandemic, there was a supplementary update in July 2020, to reflect the need for Leeds to be a safe city encompassing: safe travel; safe public spaces; safe delivery of services; safe education and safe working. As detailed in the Review and Refine section of this report, in October 2021, Executive Board agreed in principle to replace the Best Council Plan with a more externally facing and partnership focused Best City Ambition from February 2022.

10. The BCP draws on and links with a range of supporting council and partnership plans. As well as the Leeds Inclusive Growth Strategy and the Leeds Health & Wellbeing Strategy, the current BCP also refers to other supporting plans including the Safer Leeds Plan, the Children & Young People's Plan, and the Leeds Housing Strategy. Internally, it links with the council's financial plans and workforce strategies. The ambitions, outcomes and priorities set out in the BCP can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of our policies against our financial constraints. This is the primary purpose of the Medium-Term Financial Strategy which provides the framework for determining our annual revenue budgets.

11. The BCP incorporates a set of Key Performance Indicators (KPIs) that help measure progress over time against the outcomes and priorities set out in the BCP. More detail on the KPIs and their purpose can be seen in the Meaningfully Monitor section of this report.

12. Roles and responsibilities

13. The main roles and responsibilities for performance management within the council are:

Entity	Roles and responsibilities
Corporate Leadership Team (CLT)	The Chief Executive and Directors have high level responsibility for corporate performance management and receive quarterly updates on performance against the Best Council Plan KPIs. Directors also routinely discuss relevant performance issues with Executive members.
Directorate Management Teams (DMTs)	Directors and DMTs have responsibility for overseeing performance against the Best Council Plan priorities relevant to their service areas, and they review the quarterly updates before these are submitted to CLT. In addition, they also oversee a range of performance indicators.
Service Managers	Have day-to-day responsibility for monitoring operational performance. They provide routine updates and escalate concerns to DMTs.
Intelligence and Policy Service[1] (IPS)	Staff within this central team have responsibility for maintaining the systems and procedures that support the performance management framework and for co-ordinating performance reporting to relevant stakeholders.
Directorate Intelligence and Policy Teams[2]	Maintain performance frameworks tailored to the operational requirements of their service areas and coordinate the submission of performance information relating to their directorates required by the central IPS.
All council Staff	All staff should be aware of the Best Council Plan priorities which can be used inform both their service goals and their own appraisal objectives. Following a pause during the pandemic, appraisals resumed in summer 2021.

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[1] The IPS takes the lead on the council's corporate performance management arrangements
[2] The Directorates of Adults and Health and Children and Families each contain a dedicated Intelligence and Policy function

14. Democratic Oversight

15. Elected Members, including those from Scrutiny Boards, were fully involved in the development of the Best Council Plan, which is at the heart of our performance management arrangements. On a routine basis, democratic oversight of performance is facilitated through a range of reports submitted to Members, as detailed below:

Entity	Roles and responsibilities
Executive Board	Executive Board Members oversee performance relevant to their portfolio areas. Members receive a range of reports throughout the year including the council's Annual Corporate Performance Report that reflects on our overall progress against the Best Council Plan.
Corporate Governance and Audit Committee	Members have responsibility for reviewing performance management arrangements and gaining assurance that they are fit for purpose, up to date and routinely complied with. The Committee receives an annual report on the adequacy of the council's performance management arrangements.
Scrutiny Boards	Members oversee performance for the areas within their remit and receive reports containing performance data and an update on progress towards delivering the relevant priorities within the Best Council Plan. Scrutiny Boards have the ability to request additional, service specific performance information if considered necessary.

Clearly Communicate

16. General

17. The BCP 2020 – 2025 was published on the Best Council Plan webpages on the authority's Internet (leeds.gov.uk) and Intranet ('Insite') sites and widely promoted to staff through a banner on the front page of Insite and to the public via social media platforms. This is supplemented throughout the year by 'Best City' key messages from the council's Leader and Chief Executive to staff and partners. Communication on performance is also demonstrated in the Effectively Embed and Review and Refine (survey results) sections below.

18. <u>Training</u>

19. The council's performance management network is well established and made up of experienced staff. Performance management training delivered by IPS is usually on a 'one to one' basis for staff taking on new performance management responsibilities as part of their role. Training includes advice on how to complete Key Performance Indicator checklists (see point 20 below) and how to submit results for inclusion in the reports to DMTs and CLT. Training on performance management is tailored to the needs of individual services and is also included within wider training sessions covering the relationship between the BCP, performance and risk.

20. <u>Guidance and information</u>

21. Each BCP KPI is supported by a checklist containing explanatory and assurance information, including the source of the data, any known weaknesses or limitations to the data, the frequency and timetable of when results will be available, plus any baselines or targets. These are maintained by IPS and updated in collaboration with relevant service leads.

22. Each financial year, the IPS produces a timetable for reporting performance information to DMTs and CLT and shares this with key contacts to ensure that they can provide the required information at the correct time.

23. IPS staff remind key contacts that the data is needed two weeks ahead of the submission deadline and are on hand to support them should they have any difficulties or queries relating to their results.

24. <u>Leadership</u>

25. CLT and Elected Members are involved in the development of the BCP, as mentioned in the Roles and Responsibilities section of this report and are briefed on performance during the year via a range of reports submitted to, amongst others, CLT, Executive Board and all Scrutiny Boards. Directors also meet with the respective Executive Board portfolio holders to discuss performance.

26. The review of performance at CLT and DMT levels encourages a culture of 'continuous improvement' rather than one of 'blame'. Services and directorates raise matters about areas where improvement is required and report the actions being taken so that a collective discussion can take place to identify any further solutions.

Effectively Embed

27. Stakeholder engagement

28. A wide range of stakeholder engagement takes place on the BCP and performance management, as seen in the Roles and Responsibilities (points 12-15 above). The IPS frequently reviews its performance stakeholder network to ensure it is up to date, particularly at the time of the BCP update and more recently following changes to staffing due to the early leavers' initiative and the movement of some service areas between directorates.

29. Clear systems and processes in place

30. Systems for managing performance are well established across the council, supported by reporting timetables, and are very much "business as usual" within services.

31. The IPS maintains a Share Point site where key contacts are able to view past results and the checklists containing supplementary information for each KPI and submit their latest results to be included within the quarterly updates.

32. Gathering and reporting performance information is a key function of the IPS, and this is reflected in the service workplan and those of individual members of staff. Although the IPS considers these systems and procedures to be fit for purpose, they are, nevertheless, under continuous review and are adapted according to changing circumstances, such as happened when the coronavirus pandemic changed how staff worked and impacted the data that was available. The systems will once again be reviewed as part of the work being done to develop the Best City Ambition in 2022.

33. The current focus is on streamlining processes for gathering information and ensuring that reports provided to different audiences are consistent and accessible. This work is ongoing into 2022.

34. The guidance and template for Committee and Executive Board reports for decision making was reviewed and updated earlier in 2021. The new template maintained the requirement for report authors to comment on how the report contributes to the city and council's ambitions (as set out in the BCP) and also how the proposal supports the council's three Key Pillars (Inclusive Growth, Health and Wellbeing and Climate Emergency).

Meaningfully Monitor

35. Benchmarking

36. Benchmarking is widely used to compare Leeds' performance against those of other local authorities (including Core Cities[3]), the region and England nationally. National datasets such as those published by the Office for National Statistics (ONS), Adults Social Care Outcomes Framework (ASCOF), Public Health England (Public Health Outcomes Framework) and the Department for Education are used for benchmarking. Directorates are encouraged to provide benchmarking results for their KPIs where possible, with notable results and analysis included in the BCP KPI Scorecard reported to CLT and in the Annual Performance Report. Other examples of organisations engaged with on benchmarking, sector-led improvement and shared best practice include ADASS (Directors of Adult Social Services) and ADCS (Association of Directors of Children's Services).

37. Additionally, the Children and Families directorate is represented at Regional and National Performance and data groups.

38. Covid-19 has continued to affect benchmarking activities during 2021, most notably in areas such as educational attainment and attendance, where no new results have been published since the start of the pandemic.

39. The Leeds Joint Strategic Assessment (Leeds JSA) provides wide-ranging analysis to promote a shared understanding of health and wellbeing needs and inequalities in Leeds. However, it also looks at the broader determinants of health and wellbeing, i.e., those social, economic and environmental drivers that influence health and wellbeing, thereby also giving insights into how the city is progressing against our shared ambitions and goals. Leeds JSA 2021 Report provides an outline of key issues identified in the latest data and analysis available. It is supported by specialised needs assessments and by the themed reports and geographic profiles on the Leeds Observatory.

40. PIs robust and challenging

41. The current BCP incorporates a set of 58 'Best City' KPIs to help measure progress over time against the 8 outcomes set out in the BCP. The majority of these replicate KPIs found in supporting council and partnership plans, thereby ensuring a consistent view of performance. The Best City KPIs are supplemented by a further 21 'Best Council' KPIs that help measure progress against our Best Council ambition to be a more efficient, enterprising and healthy organisation.

42. The scope of any given KPI can be revised in-year to ensure it remains up to date. An example of such a change that took place during the last year would be our indicator relating to Domestic Violence and Abuse. Previously, our focus was on the rate of victim self-reporting,

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[3] Core Cities is a partnership of eight city councils (Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield) with a wide range of shared interests encompassing transport and connectivity, innovation and business support, skills and employment, sustainable communities, culture and creative industries, climate change, finance and industry, and governance.

but this was switched to the overall number of reported incidents in line with changes in the dataset available from West Yorkshire Police. Any changes in the scope of the KPI are reported to the relevant directorate management team and to CLT.

43. The performance results that we report and publish take many forms to reflect the specific requirements of each indicator. Some are a single number or percentage, whereas others require supplementary information to be included. For example, due to our concerns about health inequalities, with indicators relating to Public Health, we contrast the average position for Leeds with the situation in deprived areas of Leeds, whilst for permanent admissions to residential care, we report separately for those aged 18 – 64 and for those who are 65 or over.

44. Some of the key datasets that contribute to the BCP KPIs, primarily relating to financial data, are subject to independent rigorous checks to ensure they are complete, timely, secure and accurate through external audit. Others are the result of external inspections carried out by Ofsted and the Care Quality Commission. A further group of indicators are gathered nationally and published by the government through agencies including the Office for National Statistics and the Department for Education.

45. Performance against the BCP is reported to CLT which ensures cross-council ownership of the process and facilitates discussion on specific areas, prompting follow up action as needed. Directors also discuss relevant issues with Executive members.

46. An appendix to the quarterly update on performance to CLT, known as the 'BCP Scorecard', contains the latest updated results for the KPIs that help measure progress on the BCP in delivering better outcomes for both the city and the organisation in-year and in the longer term. The BCP Scorecard includes a colour-coded indication of whether performance has improved or declined against an appropriate comparator, allowing directors to see at a glance where overall performance against the BCP is going well or badly. A version of the BCP scorecard, containing the latest available results for every KPI, is published on the council's website in line with our commitment towards open data and greater transparency.

47. The Executive Board and Scrutiny Boards, Community Committees and partnership boards (such as the Health and Wellbeing Board) receive a range of reports outlining relevant performance information pertaining to their function, including annual safeguarding reports, updates on the Equality Improvement Priorities and the Local Account on Adult Social Care performance.

48. Covid-related performance reporting includes a 'gold dashboard', a multi-page report that shows the latest data for Leeds in relation to the Coronavirus pandemic. The report provides an overview of Covid-19 Cases, vaccinations, deaths and other health indicators, with accompanying data on transport, footfall, crime, education, waste and many others. The dashboard provides an overview of how Leeds has been affected by and is recovering from the effects of the ongoing pandemic.

49. A year-end performance report highlighting the progress made throughout the year in delivering the strategic objectives set out in the BCP is considered annually by Executive Board, with the most recent report (seen here) being considered in July 2021. The report reflects on the continuing challenges posed by the pandemic and showcases key achievements from the year. In addition, it does not shy away from highlighting things that have not gone so well, where we need to redouble our efforts in the future.

50. <u>Risks identified and mitigated</u>

51. The council's risk management framework (updated in July 2021) recognises the links between performance and risk, with many of the KPIs also acting as 'key risk indicators', i.e., sources of information that indicate whether a risk is increasing in significance or not. Risk management training provided by the IPS acknowledges the relationship between the council's strategic plans, performance indicators and risks.

52. For several years, risk and performance information has been included in a single quarterly report to CLT along with any issues relating to the BCP priorities that require further discussion. The risk and performance management information contained in these and other reports to Boards and Committees is seen as a driver for change and a prompt for discussion, not simply a reaction to events.

53. <u>Escalation process in place and used appropriately</u>

54. The periodic reports to directorate management teams and CLT (seen at points 46-46 and 52 above) act as both a prompt and as an escalation process for performance concerns. During the preparation of these reports, contributing staff are encouraged to raise any performance concerns so they can be discussed at their DMT, and potentially at CLT, to allow action to be taken as necessary.

Review and Refine

55. <u>Up to date and fit for purpose</u>

56. The IPS continually seeks to improve the performance management arrangements to help ensure they are kept up to date and remain fit for purpose. Examples of this approach seen earlier in this report include:

- The regular review and update of the BCP (Point 8 Policy and Strategy)

- Democratic oversight (Points 14 to 15)

- Stakeholder engagement (Points 27 to 28)

- Streamlining our processes for gathering results (Point 33)

57. The BCP was designed as a rolling multi-year plan and, as such, was reviewed and updated in some way almost every year. These reviews took account of performance related developments including changes in national standards and statistical information requirements.

58. Work is currently underway to replace the Best Council Plan with a more externally facing and partnership focused Best City Ambition in 2022. Executive Board agreed the proposal in principle at their meeting on 20th October 2021. The Best City Ambition will demonstrate the interlinked nature of the key priorities shared by the council and its partners, will enable work to be better aligned across partnerships with resources used to their maximum in Leeds, and will include clear commitments on key priorities alongside outcome-focused measures through the Social Progress Index. It was further agreed that Executive Board would receive a report in December 2021 which presents initial proposals and a draft Best City Ambition.

59. By replacing the Best Council Plan as the council's main statement of intent, the Best City Ambition will also necessitate a review of our corporate performance management arrangements and the KPIs. Although it is too early to determine what direction this review might take, staff working on performance management within the IPS are already engaging with colleagues who are developing the Best City Ambition to ensure that performance management and reporting flow naturally from the new document.

60. In 2021, the IPS undertook a service review in line with the broader capacity reductions seen across the council due to the ongoing financial challenges. The review represented an opportunity to streamline the format and content of some performance information reports, with focus being placed on their key elements. Future improvements in the use of technology and 'self-service' to produce performance reports are also planned in 2022/23.

61. <u>Survey of Internal Control</u>

62. In May 2021, the council undertook a new Survey of Internal Control[4] to provide first line assurance in relation to all key systems of internal control by seeking an assessment from operational managers as to whether the arrangements underpinning the Corporate Governance Code and Framework are working as intended.

63. The Survey included questions relating to arrangements for the Best Council Plan and Performance Management. Respondents were asked to rate the extent to which staff were aware of and working in accordance with the following:

- The Best Council Plan

- Any supporting strategic / service plans

- The arrangements to monitor performance against corporate and relevant supporting strategic / service plans

- The arrangements to manage performance and escalate concerns

64. The results, which are set out in the charts below, were generally positive and reflect the high level of awareness of the Best Council Plan and performance monitoring and escalation arrangements. The development and roll out of the Best City Ambition will provide an

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[4] A smart survey conducted amongst senior officers to support the review of internal control underpinning the Council's Annual Governance Statement

opportunity to build on these strong performance results and address areas where the 'somewhat' results for Performance Monitoring and Escalation of Performance Concerns were high.

65. The results for Supporting Strategic/Service Plans were generally good, although the percentage of 'don't know' responses was higher than for other areas. This indicates that more work needs to be done to communicate plans and strategies that sit below the BCP. There are over 100 supporting plans and strategies that underpin the BCP and there is scope to consider rationalising these as part of the Best City Ambition work.

Supporting Strategic / Service Plan

Performance Monitoring

Escalation of Performance Concerns
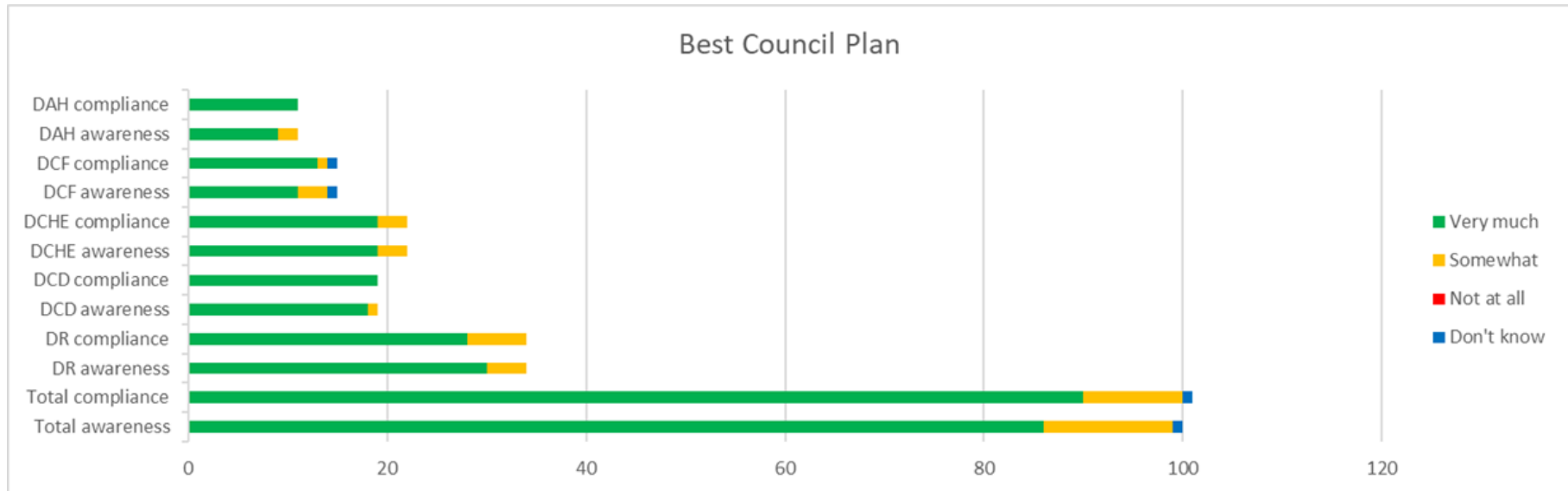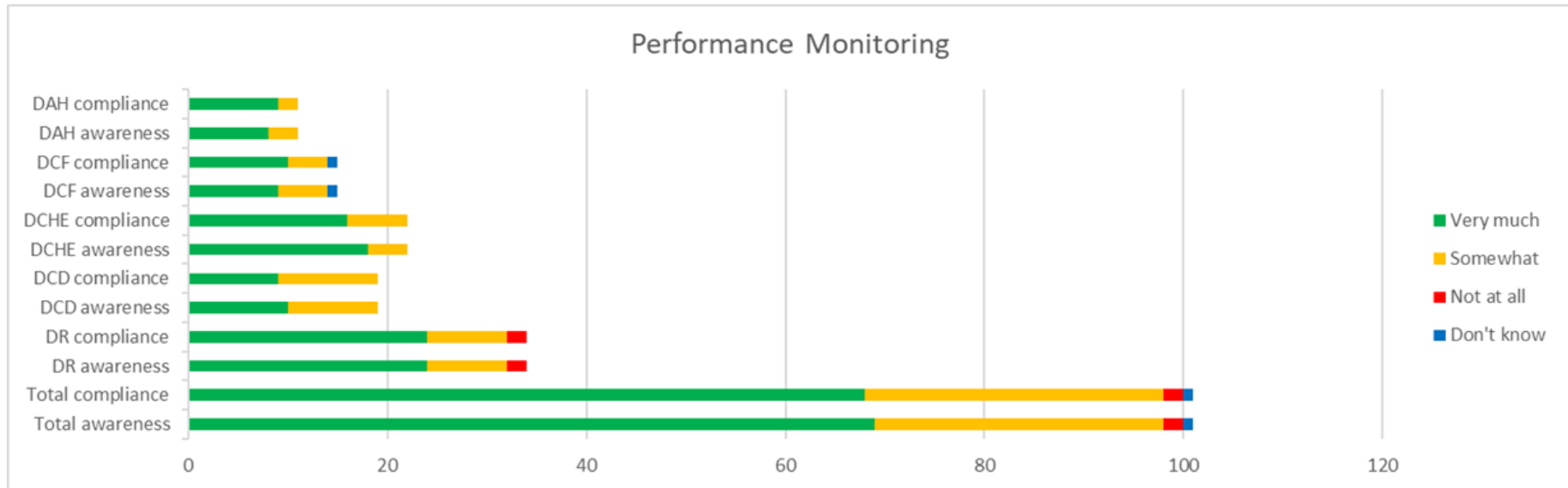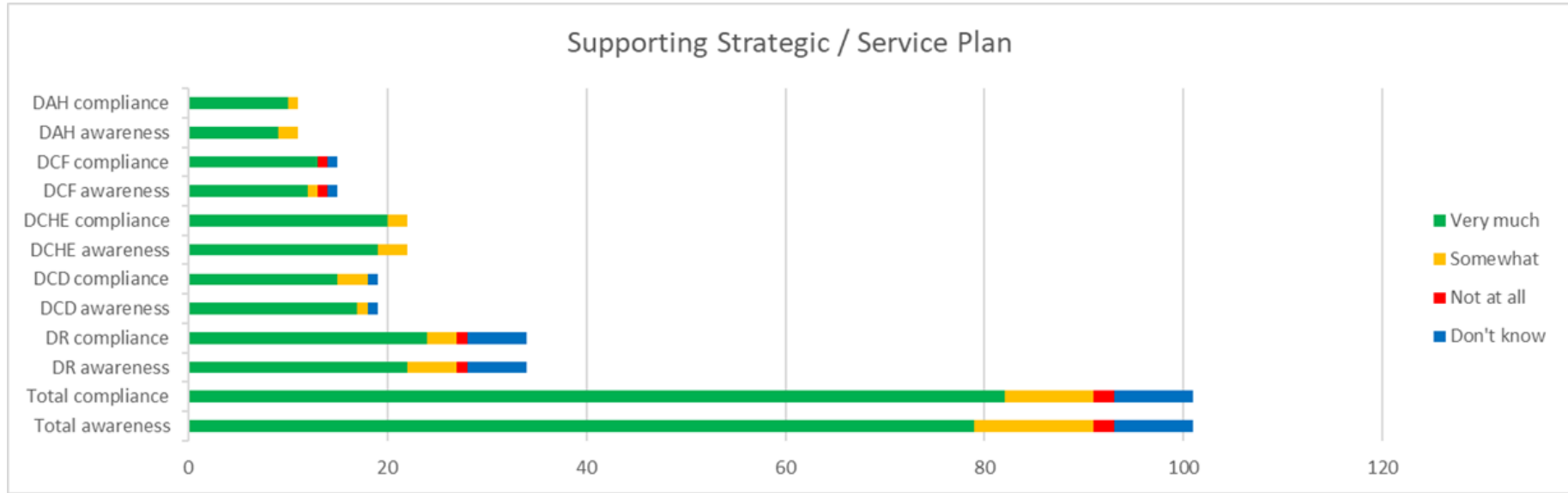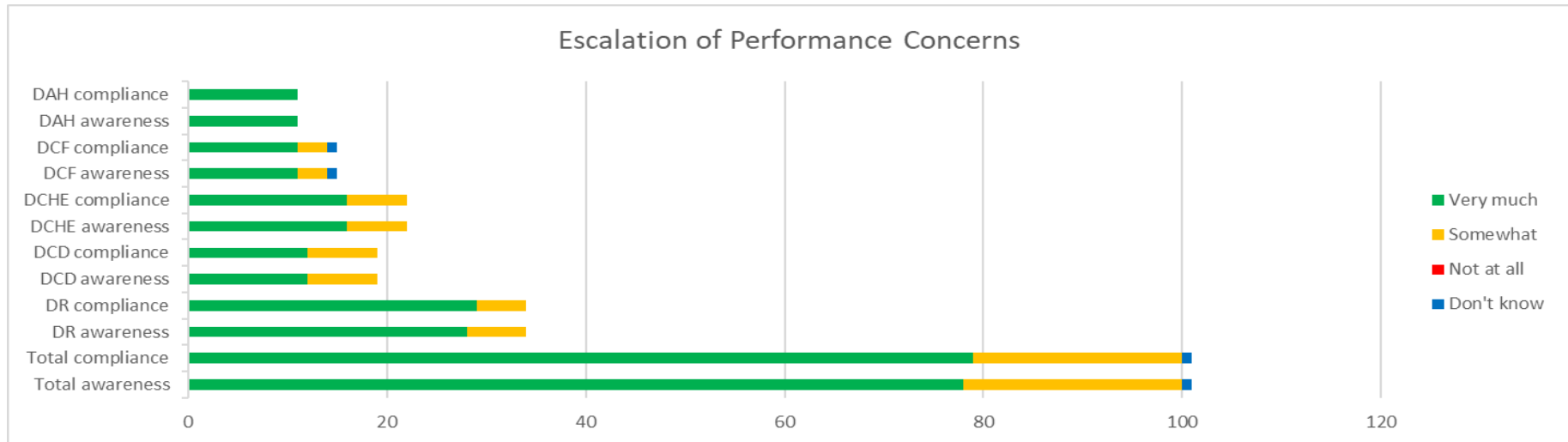
66. Following the analysis of the survey results, the following actions will be taken, as set out in the Annual Governance Statement action plan:

67. Performance Management
   - We will continue to review our performance against key performance indicators and compare recovery against pre-pandemic levels

   - We will develop a communication plan to support role out of the new Best City Ambition, identifying the role of performance in tracking the ambition.

68. Strategic planning
   - We will review and map our strategic and policy framework to ensure that it is clear, coherent and accessible.

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Report author: Louise Booth

Tel: 0113 3780503

Internal Audit Update Report August to November 2021

Date: 17th December 2021

Report of: Chief Officer (Financial Services)

Report to: A Consultative Meeting of Members of the 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 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 August to November 2021. 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 Best Council Plan objectives.

Recommendations

Members are asked to:

a) receive the Internal Audit Update Report covering the period from August to November 2021 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 August to November 2021

Why is the proposal being put forward?

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 August to November 2021. 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 as agreed following consideration of the annual decision making assurance report at the July meeting.

What impact will this proposal have?

Wards affected:		
Have ward members been consulted?	☐ Yes	☒ No

4 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.

5 The work of Internal Audit contributes towards Leeds City Council achieving its key priorities and Best Council Plan objectives.

What consultation and engagement has taken place?

6 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?

7 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.

8 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 legal implications?

9 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.

10 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.

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

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

12 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.

13 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.

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

    ☒ Inclusive Growth   ☒ Health and Wellbeing   ☒ Climate Emergency

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

Options, timescales and measuring success

What other options were considered?

15 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?

16 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.

17 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 for implementation?

18 The Internal Audit Plan is in place and is approved annually by the Committee.

Appendices

19 A – Internal Audit Update Report August – November 2021

    B – Monitoring of Urgent Decisions August – November 2021

Background papers

20 None.

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Appendix A

Leeds City Council

Internal Audit Update Report

Corporate Governance and Audit Committee

17th December 2021

INTERNAL AUDIT UPDATE REPORT 2021/22

1ST August 2021 to 30th November 2021

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 1st August 2021 to 30th November 2021. 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   **2021/22 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 2021/22 Internal Audit Plan that was approved by the Committee in March 2021.
- Unplanned work undertaken in response to emerging risks and priorities.

3   **Changes to the 2021/22 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 2021/22 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
Proactive Fraud / Resources	Employee Outside Interests	**Added -** This will take the place of the Application of HR Policies that was detailed within the 2021/22 plan and will also use time from the Proactive Fraud and Procurement workplans.
Procurement	Management of Off-Contract Expenditure within Parks and Countryside	**Added -** This will form part of Contract Management work detailed within the 2021/22 plan.
Other Directorate Risks - Housing Leeds	Anti-social Behaviour advisory work	**Added -** This will use the time set aside for Housing Leeds contingency to address specific risks identified.
Head of Audit Assurances	Regional Growth Fund, Getting Building Fund, Growth Deal and Green Homes Grant	**Added -** These are new grants requiring independent verification by Internal Audit to support the sign off process.
Head of Audit Assurances	Leeds Public Transport Investment Programme	**Removed –** No longer required. WYCA informed us in summer that they did not require certification of this project this year.
Head of Audit Assurances	Blue Badge Grant	**Removed –** No longer required. This was carried out as a one-off in the previous year and sign off is no longer required.

4 Final Internal Audit reports issued

4.1 We have issued 20 audit reports (excluding external work) during the period from 1st August 2021 to 30th November 2021.

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 1st August 2021 to 30th November, along with the assurances provided where applicable.

Report Title	Audit Opinion			Assurance Themes
	Control Environment Assurance	Compliance Assurance	Organisational Impact	
Finance including Key Financial Systems				
Invest to Save Benefits Realisation – Follow Up	Good	N/A	Minor	Governance and Decision Making, Financial Management, Value for Money, Performance Management, Business Innovation and Development
FMS Creditor Purchase and Payment; Central and Directorate Processes	Substantial	Good	Minor	Financial Management, Anti-Fraud & Corruption, Business Innovation and Development, Information Governance, Risk Management, Performance Management, Value for Money, Legislative / Regulatory Compliance

Report Title	Audit Opinion			Assurance Themes
	Control Environment Assurance	Compliance Assurance	Organisational Impact	
Central Purchasing Cards Controls	Good	Good	Minor	Financial Management, Anti-Fraud & Corruption, Risk Management, Performance Management, Value for Money, Legislative / Regulatory Compliance
Central Financial Controls of Local Authority Maintained Schools 2020-21	Good	N/A	Minor	Financial Management, Governance and Decision Making, Legislative / Regulatory Compliance, Performance Monitoring, Risk Management
Procurement				
Emergency PPE Contracts Review	Good	N/A	Minor	Procurement, Contracts and Commissioning, Legislative / Regulatory Compliance, Governance and Decision Making, Value for Money, Risk Management
Schools PFI	Good	N/A	Minor	Procurement, Contracts and Commissioning, Risk Management, Financial Management, Performance Management, Value for Money, Asset Management, Governance and Decision Making, Legislative / Regulatory Compliance
ICT and Information Governance				
ICT Asset Management	Good	N/A	Minor	Asset Management, Financial Management, Cyber Security, Anti-Fraud & Corruption
Privileged User Access Follow Up	N/A Memo Issued			Information governance, Cyber Security, Legislative / Regulatory Compliance, Risk Management

Report Title	Audit Opinion			Assurance Themes
	Control Environment Assurance	Compliance Assurance	Organisational Impact	
Directorate Risks – Children and Families				
No Recourse to Public Funds	Acceptable	Limited	Moderate	Legislative / Regulatory Compliance, Governance and Decision Making, Performance Management, Financial Management, Safeguarding, Value for Money
Special Educational Needs (SEN) Out of Area Placements	Acceptable	N/A	Minor	Safeguarding, Financial Management, Performance Management, Governance and Decision Making, Legislative / Regulatory Compliance, Risk Management, Value for Money
Directorate Risks – Housing				
Belle Isle Tenant Management Organisation Assurance Framework - Review of the Modular Management Agreement	N/A Memo Issued			Information Governance, Risk Management, Performance Management, Procurement, Contracts and Commissioning, Health and Safety, Partnerships
Schools				
School Voluntary Fund audits x 9	N/A certification of account balances			Financial Management

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. However, one audit received a limited compliance opinion, and one other audit included a specific objective for which limited assurance was provided.

No Recourse to Public Funds

5.2.1   During this quarter we carried out an audit on No Recourse to Public Funds (NRPF) which refers people subject to "Immigration Control" who are not entitled to access welfare benefits, local authority housing and homelessness assistance. Our audit aimed to ensure that the arrangements in place to regarding NRPF families receive support and payments made in line with legislation and guidance. The audit provided limited assurance for compliance with the control environment as a result of issues identified with the accuracy of some payments. We also found that policy information was in need of updating. Management have responded positively, agreeing to all of our recommendations with actions ongoing at the time of reporting. We will be completing a follow up audit to provide assurance that actions have been implemented accordingly.

Special Educational Needs (SEN) Out of Area Placements

5.2.2   An audit of Special Educational Needs (SEN) Out of Area Placements was carried out during this quarter, which relates to the legal duties that local authorities have to ensure the Special Educational Needs of children are assessed appropriately so that the correct support and education establishment is chosen. This may result in a child from Leeds receiving education from outside the area. The "Out of Area" relates to children who are classed as having special circumstances. This audit provided acceptable assurance overall, with robust procedures found to be in place to give assurance that statutory requirements are being complied with and that a range of factors are considered within placement decisions. However limited assurance was provided for a specific objective relating to the timely and accurate approval of payments, with several recommendations agreed around this area of the process. All of our recommendations have been agreed and management actions have already commenced around the payment process.

Follow Up Reviews

5.2.3   Our protocols specify that we undertake a follow up review where we have previously reported "limited" or "no" assurance for the audited area.

Invest to Save – Benefits Realisation Follow Up

5.2.4   In November 2019 we reported limited assurance for Invest to Save – Benefits Realisation, highlighting that central governance arrangements had yet to be fully established during the period under review. Having now completed a follow up audit, good assurance has been provided for the control environment noting that the arrangements for the allocation and approval of funding have been strengthened and a clear framework now in place. This will be significant in supporting the delivery of the Medium-Term Financial Strategy.

Privileged User Access Follow Up

5.2.5   From an audit perspective, we have continued to monitor progress towards the implementation of recommendations made in our review of Privileged User Access reported in 2019/20. The Integrated Digital Service (IDS) has established a project to address the issues identified, with timescales for completion falling in 2021/22, upon which time we will formally review progress.

Other highlights

5.2.6   During the period we completed a piece of contract review work which focussed on the council's arrangements to procure PPE in response to the COVID pandemic. Good assurance was provided overall, recognising the efforts to apply good procurement and contracting practices in unprecedented circumstances. We were able to confirm that efforts were made to procure PPE in a transparent and competitive way despite the ever-changing market conditions. We have agreed recommendations aimed at evaluating the arrangements in place, and to ensure that a plan has been put in place for buying PPE on appropriate contracts should there be a need to purchase on the same scale again in the future.

6   Other Audit Work

Audit Work Completed	Details	Contribution to assurance
Transport Grants	Validation of 3 separate transport grant claims.	Our work confirms we are satisfied that the expenditure incurred is in line with the specific funding requirements of the transport grants, provides evidence that the grant terms are met and reduces the risk of clawback.
Disabled Facilities Grant	Validation of grant claim.	The work contributes to assurances in respect of financial management and governance.
Children and Families – Families First Grant Validation	Grant claim validation work carried out to support the Directorate	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.	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 specific work to ensure that contract documentation was adequately reviewed and signed off.	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 annual review of the council's Contracts Procedure Rules.	The work helps to ensure that the council's Contract Procedure Rules remain up to date and fit for purpose.

Audit Work Completed	Details	Contribution to assurance
Community Cloud Executive Steering Committee	Ongoing work to provide review, advice and challenge to the Microsoft 365 transitional projects.	The work contributes across a range of assurances including governance and decision making, value for money and information security.
General audit queries and advice issued	Over the course of the year, 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.
Planning Decisions Review	We have reviewed specific planning decisions in response to issues raised by Members of the Committee.	The work contributes to assurances around legislative and regulatory compliance, alongside governance and decision making.
Anti-social Behaviour – Housing Leeds	Advisory work with Housing Leeds around the procedures in place to manage risks relating to anti-social behaviour.	The work contributes to assurances around safeguarding and reputational risks.
Fraud Risk Mapping – Data Analytics	Initial work to assess fraud risks and compile systems maps with a view to developing data analytics reporting where appropriate.	The work will deploy modern auditing techniques, contributing to assurances around the management of fraud and corruption risks and helping to further instil the anti-fraud culture.
Management of risks relating to IR35	Ongoing work alongside Financial Management to ensure there are controls in place to mitigate risks relating to off-payroll working.	The work contributes to assurances around legislative and regulatory compliance.

7 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.

8 Work in Progress

8.1 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
ICT and Information Governance – Data Protection Impact Assessment		✓	
Procurement – Temporary Staff Vetting Contract Review		✓	
Procurement – Management of Off-Contract Expenditure in Parks and Countryside	✓		
Housing – Retirement Life/Wellbeing checks		✓	

Assurance Block/ Audit Assignment	Fieldwork in Progress	Draft Report	Finalisation
Housing – Asbestos	✓		
Other Directorate Risks – High Value Stock Management		✓	
Other Directorate Risks – Strategic Investment Fund Acquisitions		✓	
Other Directorate Risks – Employee Outside Interests	✓		
Other Directorate Risks – Direct Payments	✓		
Schools – School Voluntary Fund Audits	✓		
Schools – High School Audit		✓	
Schools – Primary School Audit	✓		
Green Homes Grant	✓		
Covid-19 Business Grants	✓		

9 Internal Audit Productivity

9.1 The following bar chart provides a comparison of agreed audit plan days against the days that have been used so far in the 2021/22 Internal Audit plan.
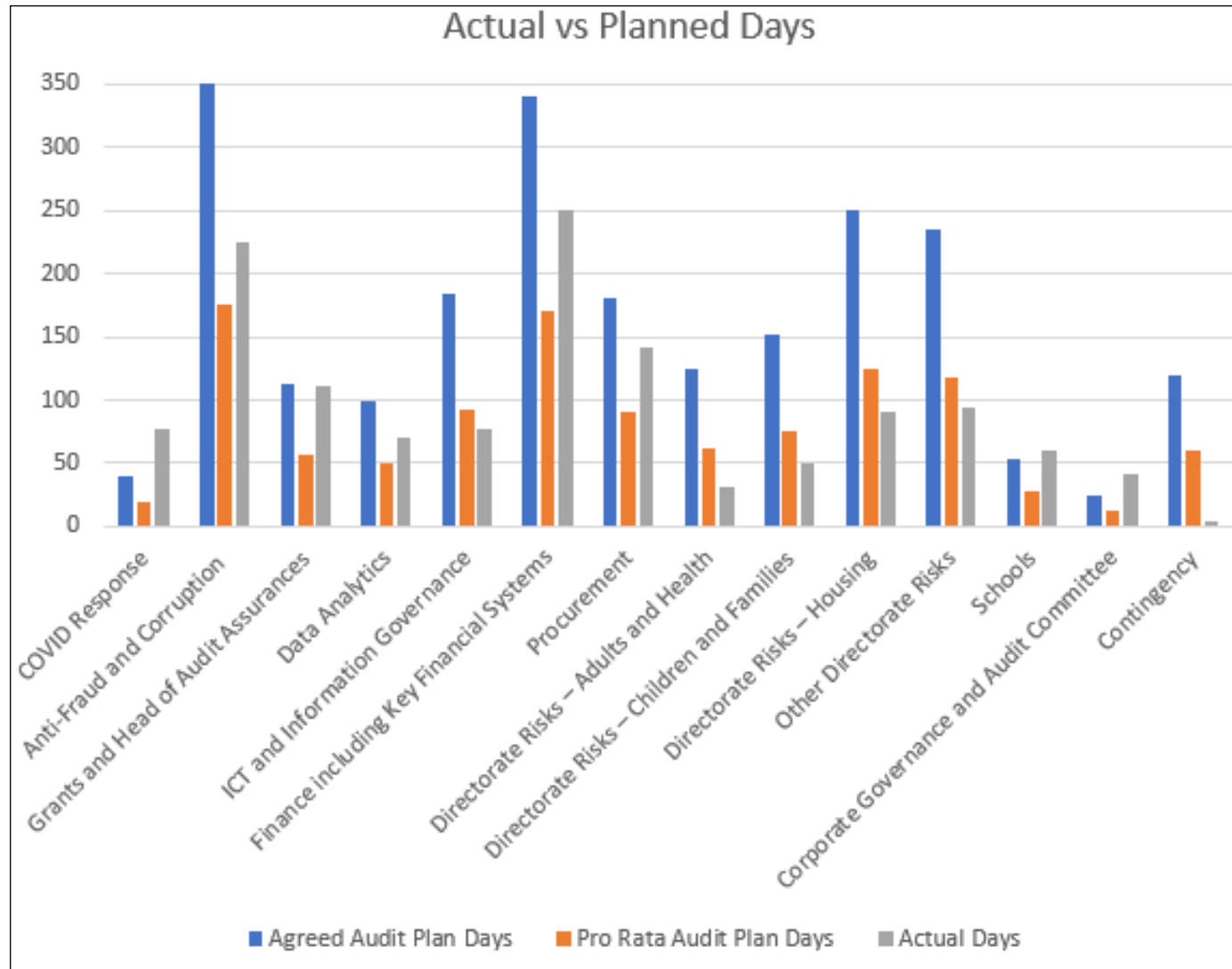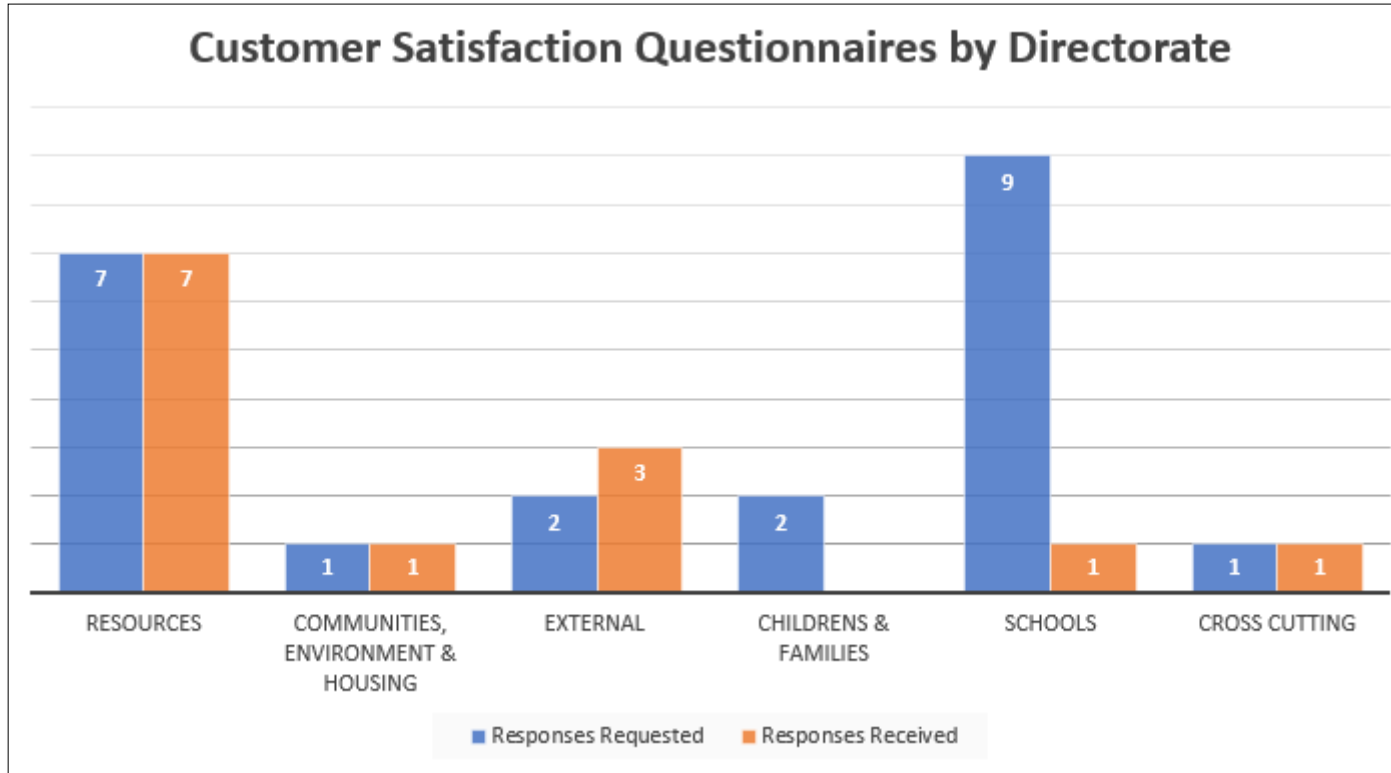
10   Internal Audit Performance

Feedback

10.1   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 asks 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.

10.2   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.

10.3   We have continued to look at ways of maximising our CSQ feedback, and the Chair of the Committee has recently written to the Chief Executive and the Director of Resources, who have asked for the support of the council's leadership team in helping to ensure all service areas provide feedback where requested. This message has also been circulated through the Best Council Leadership Team. Standard wording has been agreed amongst the Internal Audit team to emphasise and consistently promote the requirement of responding to CSQ's to enable continuous improvement within the Internal Audit process.

10.4   For the period from 1st August 2021 to 30th November 2021 we have issued a total of 22 Customer Satisfaction Questionnaires and received 13 completed returns at a response rate of 59% in the period. A summary of the scores is presented in the table below. We have also included a graph that shows the response rate by Directorate.

Question	Average Score (out of 5)	Max Value	Min Value
Sufficient notice was given	4.83	5.00	4.00
Level of consultation on scope	4.82	5.00	4.00
Auditor's understanding of systems	4.54	5.00	4.00
Audit was undertaken efficiently	4.62	5.00	1.00

Question	Average Score (out of 5)	Max Value	Min Value
Level of consultation during the audit	4.62	5.00	3.00
Audit carried out professionally and objectively	4.85	5.00	4.00
Accuracy of draft report	4.92	5.00	4.00
Opportunity to comment on audit findings	4.92	5.00	4.00
Clarity and conciseness of final report	4.92	5.00	4.00
Prompt issue of final report	4.50	5.00	4.00
Audit recommendations will improve control	4.58	5.00	3.00
The audit was constructive and added value	4.67	5.00	3.00
Overall Average Score	**4.73**		

Customer Satisfaction Questionnaires by Directorate

Directorate	Responses Requested	Responses Received
RESOURCES	7	7
COMMUNITIES, ENVIRONMENT & HOUSING	1	1
EXTERNAL	2	3
CHILDRENS & FAMILIES	2	
SCHOOLS	9	1
CROSS CUTTING	1	1

■ Responses Requested   ■ Responses Received

11   Quality Assurance

11.1   Internal Audit work is undertaken in accordance with internal quality procedures incorporated in the quality management system, which has been ISO certified since 1998. The International Organisation for Standardisation (ISO) external assessment takes place on an annual basis and was undertaken in November 2021. The assessment confirmed that our quality management system continues to meet the requirements of the ISO standard and is demonstrating continual improvement.

11.2   In April 2013 CIPFA and the Chartered Institute of Internal Auditors launched a common set of Public Sector Internal Audit Standards (PSIAS) to be adopted across the public sector. The PSIAS set out the standards for Internal Audit. Compliance

with the standards gives additional assurances to the Committee that audit activities are set and carried out within the appropriate regulatory framework. As part of our Quality Assurance and Improvement Programme, we undertake an annual self-assessment against the Public Sector Internal Audit Standards (PSIAS) which has been completed.

11.3 The PSIAS introduced a requirement for an external assessment of an organisation's internal audit function, which must be conducted at least once every five years. Our last assessment took place during 2016 which concluded that Leeds City Council's Internal Audit Service conforms to the requirements of the PSIAS. It has been agreed through the Core Cities Internal Audit Group that rotational peer reviews will be undertaken. Glasgow City Council have undertaken this assessment, which confirms that the Internal Audit function complies with the PSIAS.

11.4 The Quality Assurance Improvement Programme (QAIP) brings together our commitment to continually review and improve the way in which we deliver our internal audit service and embed our quality system into working practices. Over the last year there has been a considerable impetus across the team to identify areas for improvement that can be considered for inclusion in the QAIP. As a result, we now have a number of actions that are in the process of being addressed. These include actions recommended through the external assessment referred to above. The Action Plan is provided below.

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 through our participation in a CIPFA assurance framework working group ahead of being rolled out across the teams.
Internal development of counter-fraud training for use on the Performance and Learning (PAL) system.	Substantially complete - the counter fraud training has been developed and is now at the testing phase.
A communications plan will be developed to roll out the counter-fraud training on a risk basis and further promote the council's whistleblowing processes.	Substantially complete – the communications plan has been developed and will be used to support the roll out of the counter-fraud training in Q4 2021/22.

Action	Timescale and Status
Internal Audit Counter-Fraud Insite Page – To update the counter-fraud information available internally through the intranet.	Ongoing – to be refreshed in conjunction with updates to the Counter-Fraud Strategy and Whistleblowing Policy.
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 required 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 – Revised protocols have been drafted and are currently at consultation stage ahead of being rolled out for the start of 2022/23.
Internal Audit Reporting – to review and refresh the way in which our audit work is reported, with a view to identifying and implementing the most efficient and effective means and reflecting the needs of Members. Currently the Internal Audit team report on compliance with the PSIAS through the Annual Report and large Opinion. The external assessment recommended that compliance is referenced on a more regular basis, for example within each audit report.	Ongoing – The Corporate Governance and Audit Committee reports have been consulted on and refreshed during the year. Work is ongoing to review the means through which our audit findings are reported to management. This will include consultation with relevant key stakeholders.
Internal Audit Technical Manual – To review and update the technical manual as a means of promoting auditing best practice across the team.	Substantially Complete – The technical manual has now been reviewed and is to be shared across the team in Q3 / Q4 2021/22.

Action	Timescale and Status
SharePoint Online Working Platform and Internal Audit Workflows – To review our usage of SharePoint Online in conjunction with the transition to the cloud, and to determine the most effective means of storing and accessing electronic information. This works alongside an effort to promote streamlined and standardised workflows in accordance with the section's Quality Procedures.	Complete – The Internal Audit Hub has been created on SharePoint Online and all relevant data migrated across. A process flowchart has also been developed in accordance with the Quality Procedures, and this has been shared with the team and published on the Internal Audit Hub.
Internal Training Programme – To identify and address relevant training areas across the team.	Ongoing – The team has been consulted on areas in which additional training is required. To date this has resulted in: • SharePoint Online Training – now completed. • Audit Time Management and Recording System – team members have been asked to highlight specific areas with training to be provided across Q3 / Q4 2021/22.
The external assessment highlighted that the Head of Audit should have regular scheduled meetings with the Chief Executive.	Complete – Formal meetings are scheduled with the Chief Executive every quarter. This will provide an opportunity to brief the Chief Executive on key audit activity and obtain information on any emerging areas of risk or concern.
Whilst the Internal Audit Plan is kept under review and changes made as required throughout the year, the external assessment highlighted a need to formally document changes to the plan and ensure that these are reported to the Corporate Governance and Audit Committee.	Complete – changes to the Internal Audit Plan are now being reported within the quarterly update reports provided to the Corporate Governance and Audit Committee.

Performance

11.5 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.

11.6 As we continue to develop and refine our key performance indicators over the year, we will look to incorporate further performance information to demonstrate the effective use of our resources.

12 Head of Internal Audit Opinion

12.1 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.

12.2 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:

|	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Assurance Opinion	Adequate	Adequate		

12.3 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.

13 Counter Fraud and Investigations

13.1 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.

Appendix B - Monitoring of Urgent Decisions

List of Forthcoming Key Decisions → Publication of Report → Recording of Decision → Call In
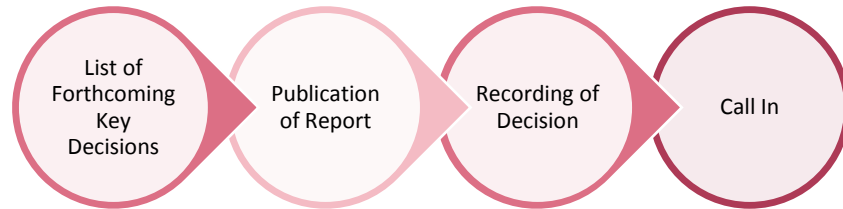
The information below updates Corporate Governance and Audit Committee on the ongoing monitoring of the decision making framework and will support the assurances set out in the annual assurance report on the decision making framework.

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 August to November 2021, 44 of 46 or 96% of all key decisions were included in the LOFKD.
>
> 35 of 37 (95%) key decisions taken by officers in the reporting period were included in the LOFKD.
>
> 9 of 9 (100%) key decisions taken by Executive Board were included in the LOFKD.
>
> Both decisions not included in the LOFKD were treated as Special Urgency and there were no decisions treated as General Exception.

4. Both of the key decisions not included in the LOFKD for the required 28 day period, were taken under the appropriate conditions for special urgency. The reasons for treating these decisions as 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 August to November 2021, 36 of 37 key decisions taken by officers (97%) were supported by reports which were published five clear working days in advance of the decision being taken.

The one decision published at short notice was authorised in accordance with the rules by the relevant Executive member and published two days in advance of the decision being taken.

Recording of Decision

9. Recording of decisions ensures that those decisions are open and transparent and that the relevant decision maker can be held to account.
10. 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 August to November 2021, 277 decisions were published with the following distribution:

	Executive Board	Officers	Total
Key	9	37	46
SOD	20	215	235
Total	29	252	281

Call In

11. 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.

12. 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.

13. 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 August to November 2021, 90% of all eligible decisions were available for Call In.

Officer Decisions: - All of the 37 key decisions taken in the reporting period were eligible for call in; of which 4 (11%) were exempted from Call In. A total of 33 (89%) of eligible decisions taken by officers were available for Call In.

Executive Board Decisions: - 4 of 29 decisions were ineligible for call in having been taken under the Budget and Policy Framework. 25 of 29 decisions taken in the reporting period were eligible for call in; of which 2 (8%) were exempted from Call In. A total of 15 (92%) of eligible decisions were available for Call In.

14. 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

15. No decisions were subject to Call In proceedings during the period.

Decisions Not Treated as Key

16. 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

17. 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.

18. 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.

Meaningfully Monitor : Officer Key decisions taken under urgency procedures					
Month	DDN	Director	GE / SU	Call In	**Title of decision** Reason for urgency
Oct	D54577	Director of Resources	SU	**Exempt**	**Extension to Green Homes Grant Local Authority Delivery Phase 1b** This proposal will allow Leeds City Council to extend the GHG LAD 1b programme of energy efficient improvements to homes to March 2022 with an additional £950,822 government funding. The council was informed of the additional funding award at short notice with a deadline to return the revised MoU by Friday 22nd October which means this decision must be taken as an urgent decision.
Nov	D54625	Director of Communities, Housing and Environment		**Exempt**	**Request to extend the current Mixed Dry Recyclate Treatment Contract by modification under Regulation 72 (1) (B) of the Public Contracts Regulations 2015** Breadth of negotiations undertaken and analysis required to formulate the recommendations meant decision urgent in order to extend contract prior to expiry. If the contract was not extended then the Council risked being in a position where no contractual arrangements were in place for dealing with a significant waste stream and a significant contributor to the City's recycling rate, with the MDR service contributing significantly to the Council's overall recycling rate and amenity. Contract expiry would leave the council without a process or treatment for recyclables at the kerbside which is a requirement under legislation.
Nov	D54629	Director of Communities, Housing and Environment	SU	**Exempt**	**DHSC: Self-Isolation Practical Support Funding to utilise for Community Care Hub provision** Special urgency is requested for this decision as funding has already been allocated to the Community Care Hubs for the June to December period.
Nov	D54669	Director of Communities, Housing and Environment		**Exempt**	**Re-procurement of the contract for the Council's Printing Requirements for Electoral Services** To allow the procurement exercise to commence immediately and ensure the contract is in place in time to order election. If the decision was delayed there would be a delay to the production of election materials and failure to meet statutory deadlines within the election timetable. The decision could not have been taken earlier due to lack of resources to undertake the preparatory work for the procurement exercise within a shorter timeframe

Meaningfully Monitor - Executive Board decisions taken under urgency procedures

Month	Minute	Director	GE / SU	Call In	Title of decision / Reason for urgency
Sept	9	Director of Children and Families	N/A	Exempt	**Outcome of statutory notice on a proposal to permanently increase learning places at St Edward's catholic primary school from September 2022** Exempted from call in to meet statutory guidance that a final decision must be made within 2 months of the end of the statutory notice period (6 October 2021) or be referred to the Schools Adjudicator with the consequence that a local decision could no longer be made. The Executive Board decision to publish a statutory notice was subject to call-in. In addition, the objections received during the publication period were considered by Scrutiny Board as detailed in the report. As ratified by Scrutiny Board at its meeting in July 2019, if Scrutiny Board was convened to consider objections for these types of proposal, a recommendation would be made in the final report to Executive Board to exempt the decision from call-in to ensure that a decision was made within required period.
Sept	10	Director of Children & Families	N/A	Exempt	**Outcome of statutory notice on a proposal to permanently increase learning places at Allerton High School from September 2022** Exempted from call in to meet statutory guidance that a final decision must be made within 2 months of the end of the statutory notice period (6 October 2021) or be referred to the Schools Adjudicator with the consequence that a local decision could no longer be made. The Executive Board decision to publish a statutory notice was subject to call-in. In addition, the objections received during the publication period were considered by Scrutiny Board as detailed in the report. As ratified by Scrutiny Board at its meeting in July 2019, if Scrutiny Board was convened to consider objections for these types of proposal, a recommendation would be made in the final report to Executive Board to exempt the decision from call-in to ensure that a decision was made required period.

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