



CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Monday, 24th July, 2023
at 10.30 am

MEMBERSHIP

Councillors

G Almass	C Hart-Brooke	B Flynn
J Dowson		T Smith
H Bithell		
M France-Mir (Chair)		
J Heselwood		
P Wray		

Independent Member

L Wild

Please do not attend the meeting in person if you have symptoms of Covid 19 and please follow current public health advice to avoid passing the virus onto other people.

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

Debbie Oldham

A G E N D A

Item No	Ward	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 15.2 of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(*In accordance with Procedure Rule 15.2, written notice of an appeal must be received by the Head of Governance Services at least 24 hours before the meeting)</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-</p>	

Item No	Ward	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
4			<p>DECLARATION OF INTERESTS</p> <p>To disclose or draw attention to any interests in accordance with Leeds City Council's 'Councillor Code of Conduct'.</p>	
5			<p>APOLOGIES FOR ABSENCE</p>	
6			<p>MINUTES OF THE PREVIOUS MEETING</p> <p>To approve the minutes of the previous meeting held 26th June 2023 as a correct record.</p>	7 - 14
7			<p>MATTERS ARISING FROM THE MINUTES</p>	
8			<p>INTERNAL AUDIT ANNUAL REPORT AND OPINION 2022/23</p> <p>To consider the report of the Senior Head of Internal Audit, Corporate Governance & Insurance which sets out the annual opinion of the Head of Audit and provides a source of assurance that the internal control environment is operating as intended through a summary of the Internal Audit activity for the 2022/23 Internal Audit plan. The report also highlights the incidence of any significant control failings or weaknesses</p>	15 - 64

Item No	Ward	Item Not Open		Page No
9			<p>DRAFT STATEMENT OF ACCOUNTS 2022/23</p> <p>To consider the report of the Chief Officer, Financial Services, presenting the draft Statement of Accounts for 2022/23 for information. The report notes that the draft accounts will be approved by the Chief Officer, Financial Services and will be available for the statutory public inspection period on the council's website. The accounts will be subject to audit by Grant Thornton over the autumn and winter, and it is anticipated that the final audited accounts will be presented to the committee for approval in February.</p>	65 - 70
10			<p>INTERIM ANNUAL GOVERNANCE STATEMENT</p> <p>To consider the report of the Chief Officer, Financial Services, which supports the fulfilment of the Council's statutory duty to review its system of Internal Control, and to produce an annual governance statement. The report documents the review of Internal Control in the form of the corporate governance framework and assurance map (attached as Appendix A) and includes the Interim Annual Governance Statement (attached as Appendix B).</p>	71 - 146
11			<p>GRANT THORNTON AUDIT INTERIM FINDINGS REPORT 2021/22</p> <p>The report of the Chief Finance Officer presents Grant Thornton's Interim Audit Findings Report for their audit of the Council's 2021/22 statement of accounts. The report outlines Grant Thornton's findings to date, and the areas which remain to be covered when their audit work resumes.</p>	147 - 150
12			<p>CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME 2023-24</p> <p>The report of the Chief Officer Financial Services presents the work programme for the Corporate Governance and Audit Committee, setting out future business for the Committee's agenda, together with details of when items will be presented.</p>	151 - 156

Item No	Ward	Item Not Open		Page No
13			<p>DATE AND TIME OF NEXT MEETING</p> <p>To note the date and time of the next meeting as Monday 25th September 2023 at 10.30 am.</p>	

Third Party Recording

Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.

Use of Recordings by Third Parties– code of practice

- a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.
- b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.

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Corporate Governance and Audit Committee

Monday, 26th June, 2023

PRESENT: Councillor M France-Mir in the Chair
Councillors G Almass, B Flynn, J Dowson,
H Bithell, P Wray, R Downes and E Taylor

**INDEPENDENT
MEMBER:**
Linda Wild

1 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

2 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

3 Late Items

There were no late items.

4 Declaration of Interests

No declarations of interests were made at the meeting.

5 Apologies for Absence

Apologies for absence were received from Councillors Hart-Brooke, Heselwood and Smith.

Councillor Downes was present as substitute for Councillor Hart-Brooke and Councillor Taylor was present as substitute for Councillor Heselwood.

6 Minutes of the Previous Meeting held on 20th March 2023

RESOLVED – That the minutes of the previous meeting held on 20th March 2023, be approved as a correct record.

7 Matters Arising From The Minutes

Minute 76 – Matters arising – Minute 50 Annual Report Financial Management Arrangements

Draft minutes to be approved at the meeting
to be held on Monday, 24th July, 2023

It was noted that information requested by Cllr Dowson in relation to IR35 had now been provided.

Minute 77 – Internal Audit Plan

Members had requested a list of privilege users with enhanced permissions within integrated digital services. Members were advised that this list is being finalised and would be provided to Members.

8 Internal Audit Update Report January to March 2023

The Senior Head of Audit, Corporate Governance and Insurance presented a report which provided 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 January to March 2023. The report highlights the incidence of any significant control failings or weaknesses.

Members were informed of the following points:

- Appendix A – provided a summary of reports completed by Internal Audit during the period from 1 January 2023 to 31st March 2023. The work of Internal Audit offers a key source of assurance to the Committee that the internal control environment is operating as intended.
- The Internal Audit Plan had been developed in line with the Public Sector Internal Audit Standards (PSIAS). It had been reviewed and approved by the Committee.
- Should risks and priorities change throughout the year, the profile of the plan may change but the Committee will be advised of any changes.
- 13 reports had been completed within the reporting period. It was noted that Organisational Culture is a new area for Internal Audit. Other Local authorities had also been auditing this area with varying degrees of success. It was recognised that this area was hard to achieve consistencies, the audit highlighted opportunities to use the data to identify areas requiring intervention.
- One primary school audit resulted in a limited opinion being provided for compliance with controls. The school is to focus on the control environment. This is to be reviewed as part of the follow up audits in 2023/24.
- Section 7 provided the Committee with a summary of audit work and other activities undertaken by Internal Audit.
- Appendix B provided information and evidence on the arrangements in place within the Internal Audit team.
- It was recognised the team had been undergoing a restructure and it was noted that the team had handled the challenges well. It was the view that there were resources and capacity to ensure that the plan could move forward.
- Appendix C provided monitoring information in relation to urgent decisions.

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

- The audit plan looked at all aspects and it was recognised there were challenges. Audit would look at all aspects for both the long and the short term.
- It was the view that the appropriate amount of time had been given to digital transformation. However, if there were changes to be addressed the Committee would be advised.
- Clarification was provided to the Committee in relation to Actual vs Planned Days. It was acknowledged that going forward the presentation of this type of information could be improved.
- It was recognised that the internal audit of Organisational Culture was a new area and learning had been taken from other Local Authorities and public bodies. This was a different way for audit as culture is subjective and based on feelings and experiences. It was acknowledged that data will be used to drive future audits.
- Satisfaction surveys had improved in the number of responses received as staff realise the importance of why the questions were being asked. The surveys have now been changed, reducing the number of questions asked with a more focussed approach to be reported in the future. It was noted there was an escalation process to Chief Officer level but as suggested by the Committee it could be escalated to Executive Board Members. This approach could be considered if felt necessary.
- Tracking of recommendations was key to monitoring progress given the data available and implementation of changes. These could also be checked through review follow ups on audit.
- Internal Audit are externally audited by other core cities and external consultants. The last report undertaken by Glasgow on audit functions was positive.
- Information in relation to key decisions detailed in Appendix C, would be checked, and provided to the Committee.
- Work was still ongoing in relation to ICT audits. In relation to the planned days this needed to be adjusted.
- In relation to assurance mapping, more development was required in some areas. Information on this would be brought to a future meeting.
- Work was already being undertaken to address areas of challenge in relation to the Organisational Culture audit.

RESOLVED – To:

- a) receive the Internal Audit Update Report covering the period from January to March 2023 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 January to March 2023.

9 Counter Fraud Update Report October - March 2023

The report of the Senior Head of Audit, Corporate Governance and Insurance provided a source of assurance that the internal control environment is operating as intended through a summary of the counter fraud activity for the period from October to March 2023.

Members were provided with the following points:

- The table on page 50 of the submitted report provided information on the referrals received by directorate, by the type of concern raised. The pie chart on page 51 demonstrated the referral method. It was noted that referrals received through the 'other route' related to those shared by external agencies, such as National Anti-Fraud Network, or other Council services seeking advice or assistance.
- As at the 1st April 2023, 28 referrals were being investigated.
- 27 referrals were closed during the period October 2022 to March 2023. The outcome of the referrals was provided in the table on pages 52 and 53. It was noted that the service would be seeking feedback from whistle-blowers regarding their experience of raising concerns in the workplace.
- 12 council properties had been recovered as a result of fraud investigations in the reporting period.
- Members attention was brought to Insurance Services, with 6 cases in recovery totalling approximately £21,000, and the Welfare and Benefits Service – where almost £2m had been added to Council Tax Bills, identified from a proactive data matching exercise, and also awareness raising that had been undertaken in the period.

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

- In relation to amounts recovered, including recovery of covid grants, it was noted this information would be provided to Members outside of the meeting.
- It was noted that there were key projects ongoing in relation to digitalisation including redesigning and processes. Audit and Fraud were looking at cyber security and controls.
- It was noted that the Council currently has 124 websites with a variety of access points. It was acknowledged that this needed to be discussed with colleagues in Information and Digital Services.

RESOLVED – To receive the Counter Fraud Update Report covering the period from October to March 2023 (Appendix A) and note the work undertaken by Internal Audit and other service areas during the period covered by the report.

10 Civica CX (Housing): system interfaces and integration

The Chief Officer Housing and Chief Digital & Information Officer presented a report which provided an update relating to the Housing ICT System (Civica

Draft minutes to be approved at the meeting
to be held on Monday, 24th July, 2023

CX) and how it integrates with other systems. This included an update on the agreed workarounds and temporary arrangements that have been implemented, and what work is ongoing to continually improve the systems and integration.

Members attention was directed to the following points of the submitted report:

- Point 2 showed the issues of concern raised by the Committee.
- Points 7, 8 and 9, provided information on ongoing work to address the points of concern raised with key internal stakeholders, Housing ICT Project Board which had been Chaired by the Director of Resources and Housing until Housing moved to Communities, Housing and Environment in April 2022. It was now Chaired by the Director of Communities, Housing and Environment and had been attended consistently by the external supplier, Civica and colleagues from Finance, Housing, IDS and the Contact Centre. It was noted that an internal audit of Civica CX was currently in progress. It was to review any workarounds implemented to address known issues, assess any processes that had been put in place to identify, track and prioritise issues that had arisen since implementation, and look at what actions had been taken to address, mitigate and report on these.
- It was noted that Civica CX had gone live in August 2021, as the previous system had not been compliant and was outdated. It had been recognised that there would be temporary workarounds put into place while further improvements were made.
- Members were advised that not all external contractor's systems were integrated with Civica CX and some payments to contractors required some manual intervention.
- Point 16 provided a table which highlighted the workarounds.
- It was noted that there was a typing error on the table at point 17. Where it said Spring, this should be Autumn.

Members were of the view that all issues needed to be resolved as soon as possible to minimise any impact to customers, particularly on repairs and voids orders.

Responding to Members questions information was provided which included:

- An update on the timescales for the integration work required to be completed will be provided to the Committee at a future date.
- Weekly meetings take place in relation to issues and solutions for the system with an escalation process in place.
- The contracts that are in place with Housing contractors included clauses to state that it is the responsibility of the contractor to integrate their ICT systems with the Council's system(s).
- It was acknowledged that lessons had been learnt with the implementation of Civica CX, and going forward with core business transformation, Internal Audit would be involved at the beginning of any future projects, including being able to check and challenge decisions to go live.

- It was noted that Internal Audit were building working relationships with IDS and there were now arrangements in place for writing specifications for new systems. It was also noted that record keeping had been improved.

RESOLVED – To:

- a) Note the contents of this report.
- b) Agree that following the successful upgrade of Civica CX (programmed for Autumn 2023) and the conclusion of the IDS Integration workstream, that a further report is provided to the Committee if any of the issues are still outstanding; and
- c) Note the ongoing Internal Audit work, the outcomes from which will be reported in the relevant Internal Audit Update Report.

11 Annual Report of Corporate Governance and Audit Committee

The report of the Chief Officer Financial Services provided assurance that the Corporate Governance and Audit Committee has discharged its duty in ensuring that the Committee complies with CIPFA's Position Statement: Audit Committees in Local Authorities and Policy.

A copy of the Annual Report to Council was appended to the report. Page 84 within the Annual Report showed the work undertaken by the Committee during municipal year 2022/23.

RESOLVED – To:

- a) Note the assurance set out in the report that the Committee complies with CIPFA's Position Statement: Audit Committees in Local Authorities and Police; and
- b) Approve the draft annual report at Appendix A to the report and authorise the Chair of the Committee to sign on their behalf.

12 Corporate Governance and Audit Committee Work Programme 2023-24

The report of the Chief Officer Financial Services presented the work programme for the Corporate Governance and Audit Committee, setting out future business for the Committee's agenda, together with details of when items will be presented. Development and regular review of the work programme enables the Committee to manage the business appropriately in line with the risks currently facing the Council.

The report also included the proposed Member Development Plan for 2023-24 setting out arrangements to develop and extend the Committee's skills and knowledge in relation to areas identified by CIPFA.

RESOLVED – To:

- a) Consider and approve the work programme and meeting dates at Appendix A.
- b) Consider and approve the development plan attached at Appendix B.

13 Date and Time of Next Meeting

RESOLVED – To note the next scheduled meeting of the Corporate Governance and Audit Committee will be on Monday 24th July 2023 at 10.30am.

The meeting concluded at 11:50

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Internal Audit Annual Report and Opinion 2022/23

Date: 24th July 2023

Report of: Senior Head of Internal Audit, Corporate Governance & Insurance

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report sets out the annual opinion of the Head of Audit and provides a source of assurance that the internal control environment is operating as intended through a summary of the Internal Audit activity for the 2022/23 Internal Audit plan. 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

The Corporate Governance and Audit Committee is asked to receive the Internal Audit Annual Report and Opinion for 2022/23 and note the opinion given. In particular:

- a) That, based on the audit work undertaken for the 2022/23 Internal Audit plan, the internal control environment (including the key financial systems, risk and governance) is well established and operating effectively in practice.
- b) A satisfactory overall opinion is provided for 2022/23, based on the audit work detailed within this report.
- c) That the work undertaken to support the opinion has been conducted in accordance with an established methodology that promotes quality and conformance with the International Standards for the Professional Practice of Internal Auditing (IPPF).

The Committee is also asked to note that there have been no limitations in scope, and nothing has arisen to compromise the independence of Internal Audit during the reporting period.

What is this report about?

- 1 The purpose of this report is to bring to the attention of the Committee, the annual Internal Audit opinion and basis of the Internal Audit assurance for 2022/23.
- 2 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) and to consider the Annual Internal Audit Report.
- 3 The Public Sector Internal Audit Standards (PSIAS) require the Head of Audit to deliver an annual Internal Audit opinion and report that can be used by the Council to inform its governance statement.
- 4 The report considers the opinion provided by the Head of Audit based on the work undertaken and completed for 2022/23 regarding the adequacy and effectiveness of the Authority's framework of governance, risk management and control. The work undertaken to support this opinion has been conducted in accordance with an established methodology that promotes quality and conformance with the International Standards for the Professional Practice of Internal Auditing.

What impact will this proposal have?

- 5 The work of Internal Audit contributes towards Leeds City Council achieving its key priorities by helping to promote a secure and robust internal control environment, which enables a focus on accomplishing the Best Council Plan objectives.
- 6 The annual Internal Audit opinion is used by the Council to inform its governance statement.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 The work of Internal Audit provides assurances that span a range of themes including coverage across the Council's three key pillars.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 8 The Internal Audit plan is developed annually 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. Management is routinely engaged in providing feedback on the performance of Internal Audit, and this has been reflected in the annual report accordingly.

What are the resource implications?

- 9 The work of Internal Audit evaluates the effective use of resources and provides assurance on the corresponding financial governance, risk management and internal control arrangements.
- 10 The Internal Audit Annual Report and Opinion provides the Committee with assurances around the effective use of the Internal Audit resources through information pertaining to the delivery and completion of the annual plan.

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

- 11 The Internal Audit plan has been 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.
- 12 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 throughout the year and summarised within the annual report.

What are the legal implications?

- 13 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.

Options, timescales and measuring success

What other options were considered?

- 14 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?

- 15 Success is measured through the delivery of the Internal Audit Annual Report and Opinion. Supporting performance measures are reported to the Committee, both within the annual report and throughout the year, and these are subject to continual review and development.

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

- 16 N/A

Appendices

- 17 Appendix A – Internal Audit Annual Report – Opinion and Work Completed 2022-23
Appendix B – Internal Audit Annual Report – Audit Resources and Quality Assurance and Improvement Plan (QAIP) 2022-23
Appendix C – Internal Audit Annual Report – List of Work Completed 2022-23

Background papers

- 18 None

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Appendix A

Leeds City Council

Internal Audit Annual Report

Opinion and Work Completed 2022-23

Corporate Governance and Audit Committee

24th July 2023

INTERNAL AUDIT ANNUAL REPORT AND OPINION 2022/23

1 The Annual Reporting Process

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require the Chief Audit Executive (*for the purposes of this report this title will refer to the Senior Head of Audit, Corporate Governance and Insurance*) to deliver an Annual Internal Audit opinion and report that can be used by the organisation to inform its 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 and must incorporate:
- the opinion
 - a summary of work that supports the opinion
 - a statement on conformance with the PSIAS and the results of the Quality Assurance and Improvement Programme
- 1.2 This report is the culmination of the work performed by Internal Audit to fulfil the 2022/23 Internal Audit Plan objectives and provides the Chief Audit Executive opinion based on an objective assessment of the framework of governance, risk management and control. This includes an evaluation of the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations and information systems.

2 Organisational Independence

- 2.1 The PSIAS require the Chief Audit Executive to confirm to the Corporate Governance and Audit Committee at least annually, the organisational independence of the Internal Audit activity. The Internal Audit Charter and the Council's Financial Regulations reinforce this requirement.
- 2.2 The Internal Audit Charter specifies that the Chief Audit Executive must report to a level within the Council that allows Internal Audit to fulfil its responsibilities.
- 2.3 The Authority's Financial Regulations state that the Chief Audit Executive 'must be able to report without fear or favour, in their own name to the Chief Executive, the Executive Board, the Corporate Governance and Audit Committee and the scrutiny function.'
- 2.4 Appropriate reporting and management arrangements are in place within LCC, including direct access to the Chief Executive and the Chair of the Audit Committee, which preserve the independence and objectivity of the Chief Audit Executive.

Declaration of independence and objectivity

The reporting and management arrangements in place are appropriate to ensure the organisational independence of the Internal Audit activity. Robust arrangements are in place to ensure that any threats to objectivity are managed at the individual auditor, engagement, functional and organisational levels. Nothing has occurred during the year that has impaired personal independence or objectivity.

Chief Audit Executive

3 Opinion 2022/23

- 3.1 The Public Sector Internal Audit Standards (Performance Standard 2450) state that ‘the chief audit executive must deliver an Annual Internal Audit opinion and report that can be used by the organisation to inform its governance statement.’ This must be based on an objective assessment of the framework of governance, risk management and control and include an evaluation of the adequacy and effectiveness of controls in responding to risks within the organisation’s governance, operations and information systems.

Chief Audit Executive Opinion for 2022/23

The combination of audit work, including specific assurance reports and other auditing activities undertaken for the delivery of the 2022/23 Internal Audit plan, leads to a conclusion that the internal control environment (including the key financial systems, risk and governance) is well established and operating effectively in practice.

Audits have highlighted a range of opportunities to further strengthen the control environment and we have worked with services to foster a culture of continual reflection and improvement. Where these audits have resulted in ‘Limited Assurance’ opinions, and we have highlighted weaknesses that may present risk to the Council, we have agreed recommendations to further improve the arrangements in place and we have developed a process for tracking implementation. Whilst limited opinions have demonstrated the robust challenge that the internal audit function offers to the individual system areas that have been reviewed, the weaknesses identified are not material enough to have a significant impact on the overall opinion on the adequacy of the Council’s governance, risk management and control arrangements at the year end. We have continued to draw assurances from our role in providing challenge offered across a number of key programmes and projects across the authority. As a result, a **satisfactory** overall opinion is provided for 2022/23, based on the audit work detailed within this report, including both a range of audits and other value-adding activities.

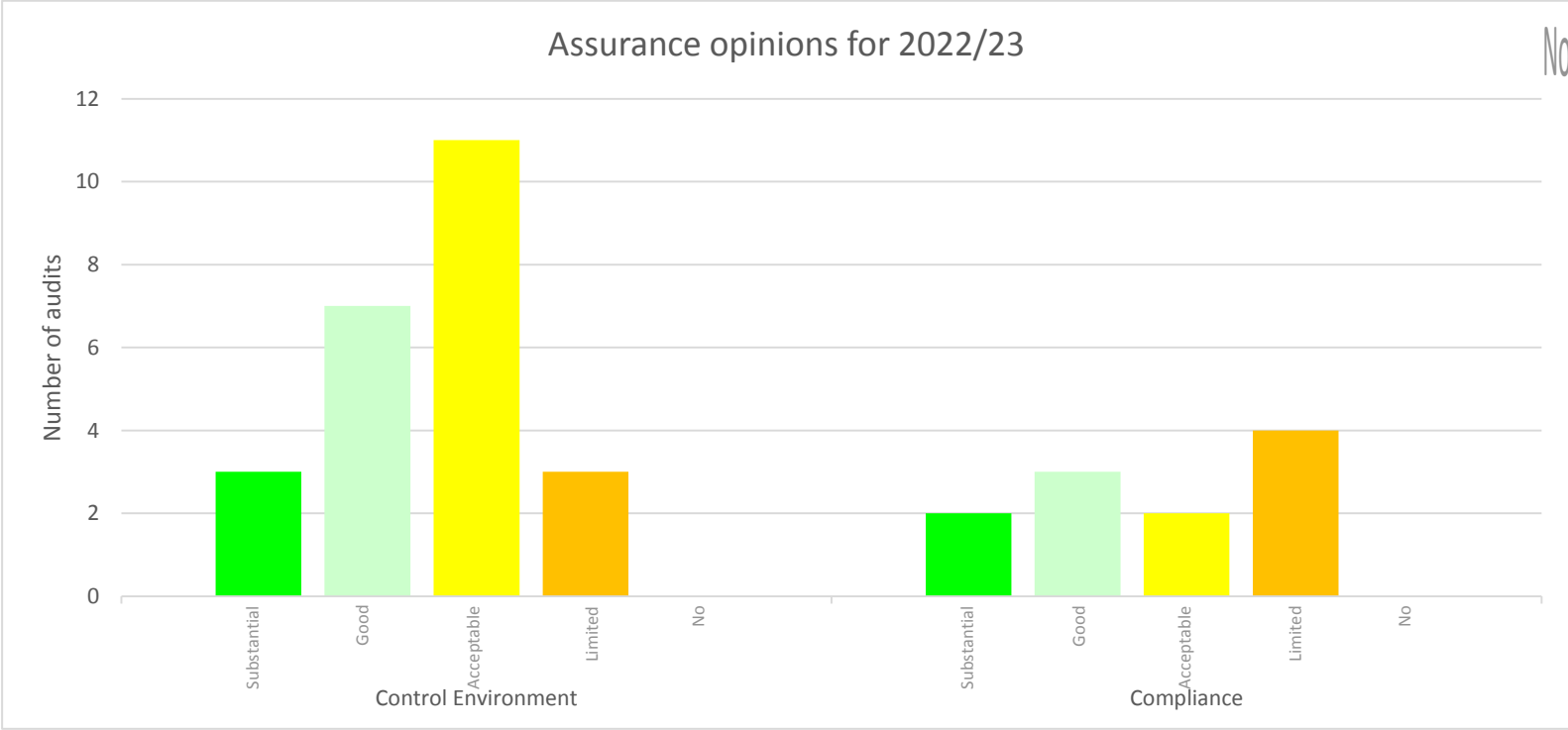
- 3.2 It is important that senior managers remain alert to, and focused on, maintaining an appropriate, risk-based and effective framework of controls as the Council looks to transform service delivery through the delivery of an ambitious Medium Term Financial Strategy and a number of associated change programmes.
- 3.3 The audit work undertaken and planned for the current year has sought to consider the change in risk appetite necessary to embrace and implement such significant change at a time when resources are limited. Although the overall assurance opinion is satisfactory, it is essential that senior management retain a focus on embedding new and revised operational and governance arrangements in response to the ongoing financial challenge, including the additional impact arising from the Cost-of-Living Crisis.
- 3.4 The audit work undertaken to support this opinion has been conducted in accordance with an established methodology that promotes quality and conformance with the International Standards for the Professional Practice of Internal Auditing.

4 Basis of Assurance

- 4.1 The annual opinion on the adequacy and effectiveness of the control environment for 2022/23 is based on the findings and assurance provided by the totality of Internal Audit activity, including the schedule of reviews undertaken throughout the year. The schedule of reviews for 2022/23 was prepared using a risk-based audit planning approach and was approved by the Corporate Governance and Audit Committee in March 2022.
- 4.2 As this is a risk-based plan, it includes an allocation for unplanned work through a contingency. As requests for audit work are received, or changes in priorities are identified, resources are allocated through 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. All material changes that have been made to the 2022/23 Internal Audit plan have been reported to the Corporate Governance and Audit Committee through our regular update reports.
- 4.3 The schedule of reviews includes audit work that has resulted in an audit report and other audit work which, whilst not culminating in the issue of a formal report, has enabled us to provide ongoing oversight and advice in respect of internal control, governance and transformational activities. A summary of all reports issued and other audit work on which this opinion is based can be found in Appendix C of this report.
- 4.4 Where the audit work results in an audit report, this provides, where appropriate, an assurance opinion. Depending on the type of audit review undertaken, assurance opinions 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 may also be provided for the

area under review if assurance on the extent to which the controls are being complied with is required. Assurance opinion levels for the control environment and compliance are categorised as follows: substantial (highest level), good, acceptable, limited and no assurance.

- 4.5 Organisational impact is reported as either: major, moderate or minor. Any reports issued with a major organisational impact would be reported to the Corporate Leadership Team along with the relevant directorate’s agreed action plan. There have been no reports issued with a major organisational impact in 2022/23.
- 4.6 The graph below provides a high-level overview of the assurance opinion levels provided for the audits that we have completed during the year, including those that are substantially complete as referenced in Appendix C.



Assurance Areas

- 4.7 The table below provides a summary of the Assurance Themes, highlighted in blue, which have been covered through the 2022-23 reviews completed during 1st April 2022 to 31st June 2023. This underlines the value added within the section and is a key factor in supporting the Chief Audit Executive’s annual opinion.

Audit Areas	Number of Audits in this area	Summary of Assurance Themes																							
		Anti-Fraud and Corruption	Asset Management	Business Innovation and Development	Climate Emergency and Sustainability	Consultation and engagement	Contracts and Commissioning	Cyber Security	Ethics and Culture	Equality, Diversity and Inclusion	Financial Management	Governance & Decision Making	Health and Safety	Human Resource Management	Information Governance	Legislative / Regulatory Compliance	Partnerships	Performance Management	Procurement	Project and Programme Management	Risk and Resilience	Safeguarding	Social Value	Value for Money	
Financial & Key Financial Systems	7																								
ICT & Information Governance	3																								
Procurement	2																								
Directorate Risks	11																								
Schools	5																								
Other Audit Work and Grants (for details see Appendix C)	43																								

Key Financial Systems

- 4.8 The key financial systems audits are reviews of the Council's core financial functions. We review these functions to provide assurance that the financial systems that are fundamental to the Council's operations remain effective and working well in practice. The Public Sector Internal Audit Standards require Internal Audit to set a risk-based plan to determine the priorities of the Internal Audit activity and therefore this approach has been applied to our coverage of the key financial systems audits.
- 4.9 Our reviews of the key financial systems support the opinion that the Council has effective financial governance, risk management and internal control arrangements in place. In addition, they also support the assertions made by the Section 151 Officer in their Annual Assurance report that is also being presented to the Corporate Governance and Audit Committee. Audit coverage during the year has provided sufficient evidence to conclude that the key financial control systems are sound and that these controls continue to work well in practice. Our role within the Core Business Transformation Programme has taken on increasing importance as we look to provide assurance that financial control and governance is appropriately considered within the introduction of the new core systems.

Procurement

- 4.10 Our positive working relationship with Procurement and Commercial Services (PACS) means that we are consulted on procurement processes and controls throughout the year. Specifically, we have provided assurances around the management of Semi-Independent Living contract. In responding to risks as they arise, we have also embarked on reviews in other areas of contract management activity across the authority and have fed back our insights and discussed these with the services involved and the PACS management team. Our risk-based procurement activity has also prompted us to look at areas of off-contract spending and the arrangements in place to review and address this in accordance with the aims of the Procurement Strategy. This has resulted in positive dialogue across key stakeholders to drive appropriate oversight and challenge.
- 4.11 Through our ongoing role in the Core Business Transformation Programme, we remain involved in reviewing the Council's end to end purchasing systems and the way in which procuring on contracts can be encouraged by greater integration within the ordering and payment system. We have also continued to participate in a working group looking at the most effective ways of embedding good contract management practices across the authority in a proportionate and consistent manner. Changes to the way in which contract management information is recorded and monitored have been implemented, and PACS are actively engaged in efforts to raise awareness of good practice and ensure this is consistently embedded.

Directorate Risks

- 4.12 We have undertaken audits that provide assurance on governance, risk management and internal control arrangements across a range of operational and directorate risk areas during the year. Our work has had links to risks relating to safeguarding, health and safety, finance, compliance with legislation and internal procedures and a range of other risks that may affect the achievement of Council and directorate priorities.
- 4.13 Our audit work has provided assurances around processes that underpin the Council's core values and behaviours. We have also focussed attention on high profile areas of legislative and regulatory responsibility. Our recommendations have been positively received by service areas and in some cases, these were actioned during the course of the audit.
- 4.14 Coverage across directorates has included a significant piece of work on Organisational Culture which was undertaken at the request of the Chief Executive. This audit carried a particular focus on the arrangements in place to embed the council's values and behaviours across all areas of activity. The audit recognised the wealth of actions already initiated and established, whilst recognising the fact that there is still lots of work to do to further embed these, measure their impact and draw upon data available to proactively seek out red flags and indicators of areas that may require intervention. Recommendations have been agreed that will further strengthen the arrangements in place to embed the values and behaviours across all areas of activity. We have also substantially completed an audit of the Council's risk management arrangements which are fundamental to ensuring a robust and proportionate control environment. We meet regularly with the Council's risk management lead which enables sharing of information and insight to promote effective management of risk.
- 4.15 We have contributed directly into several projects and working groups across the Council to provide a check and challenge role to support the service and ensure that potential risks and control weaknesses are highlighted and considered in any service redesign. Attendance at these meetings also enables us to build intelligence and have greater insight regarding emerging risks. In particular we have been involved in the development of the new processes required to deliver the government initiatives in relation to the £150 Energy Bill Support Scheme and Alternative Fuel Scheme and the Homes for Ukraine scheme. We have also attended the Adults & Health Income Recovery Board and the Children & Families Delivery Board.
- 4.16 As part of our audit work, we have delivered critical reviews including a limiting assurance report into Adult and Health Debt Recovery process and a review of Finance Policies and Use of Section 17 Fund within Children & Families.
- 4.17 The opinion over the controls in the Children & Families Directorate has primarily been arrived at through the range of work that has been undertaken by Internal Audit (outlined in Appendix C) and through other independent sources of assurance as

detailed below. This reflects our agile approach to auditing which enables us to focus on emerging risk areas and gain assurance from alternative sources in the areas of activity identified in our risk-based plan.

- 4.18 In May 2022 Ofsted completed a full inspection of children's services and provided an overall opinion of 'outstanding', with an 'outstanding' rating for the effectiveness of leaders and 'good' for the experiences and progress of children who need help and protection. The full inspection included reviewing processes in relation to safeguarding that were included in the proposed internal audit coverage.
- 4.19 The Scrutiny Annual Report to Council has highlighted the Children and Families Scrutiny Board has been involved in the following work that links to reviews that were planned by Internal Audit during the year:
- an inquiry into 'Exclusions, Elective Home Education and Off-Rolling
 - an update on the Leeds Safeguarding Children Partnership following notification of serious child safeguarding incidents review.
- 4.20 Members of Internal Audit have also provided challenge and support to the Directorate in relation to governance and decision making for a number of key areas including the commercial review of the Little Owls service and fostering and placements.
- 4.21 We have continued to provide an audit programme at schools that is driven by a robust risk assessment process that enables us to focus on opportunities to add value and strengthen controls.

Information Governance and ICT

- 4.22 The mitigation of Information Governance and ICT risks remains a significant priority for the Council. Assurances have been directly provided to the Committee by the Chief Digital & Information Officer (CDIO) and the Information Governance team during the year. The CDIO provided assurance in relation to the management and control mechanisms supporting the successful ongoing delivery of the Integrated Digital Services (IDS) service provision. The Information Governance team provided assurance on the effectiveness of the Council's information management and governance arrangements: that they are fit for purpose, up to date, are routinely complied with, have been effectively communicated and monitored and the necessary confidentiality arrangements are in place regarding the Caldicott Guardian element.
- 4.23 This year we have continued to work closely with the service across a range of on-going activities. This has included working with the service to review their governance structures to ensure that they are appropriate. We continue to be significantly involved in the Core Business Transformation Programme, Office of Data Analytics and Information Assurance Board. In

addition, we have supported the development of an assurance approach with the IDS Portfolio Management Office, including arrangements for quality assurance.

4.24 Our audit and assurance coverage has included continued work in relation to Cyber Security. From an audit perspective, we have undertaken the follow up audit in relation to Privileged User Access and although we have yet to formally report the findings from our review, the field work has been completed. We have held positive discussions with senior management within the service to raise awareness of and address the areas in which the control environment needs strengthening.

4.25 *Data Analytics*

4.26 Data analytics work is undertaken across directorates and service areas, providing a systematic evaluation of the control effectiveness within key systems, and highlighting high risk transactions or events. We have mainly focussed our attention on the transactional data within the key financial systems, as a high area of risk. Whilst no significant issues have been identified, this work provides an important source of ongoing assurance to management and is helpful when considering the direction of each piece of audit work.

4.27 A portion of our data analytics portfolio has continued to be directed towards aiding the continued development of financial dashboards as part of the Council's Core Business Transformation Programme. The dashboards are a key part of the transformation of the financial service. Our work in this area demonstrates the adaptability of the team in supporting the ongoing achievement of the Council's ambitions alongside our programme of assurance work.

4.28 In recognition of our ambition to continually improve our use of data analytics, we outlined our vision and aims in a Data Analytics Strategy. We have evaluated our current data analytics capabilities, highlighting both strengths and weaknesses, and produced an action plan directed towards increasing our data analytics maturity level.

Limited Assurance Opinions, Follow Up Work and Recommendation Tracking

4.29 The following section provides a summary of the audits that included a limited assurance opinion, either overall or in relation to a specific objective. This section also provides a summary of our follow up work. A key factor in our determination of the overall audit opinion at the end of the year is the extent to which senior managers have implemented audit recommendations and responded to the risks highlighted through our work. Positive responses from management and a demonstrable commitment to continual improvement are important indicators of an appropriate culture and robust control environment. Our follow up work has supported the overall satisfactory opinion for 2022/23 whilst limited opinions demonstrate the robust challenge offered.

Limited Assurance Opinions

- 4.30 In April 2023 we completed a review of the Debt Recovery Arrangement within Adults and Health. The objective of this review was to provide assurance as to whether the Adults and Health Debt Recovery processes are effective and fit for purpose in preparation for the Social Care Reforms expected in October 2025 and change in the payments for residential care from net to gross. This provided limited assurances for the control environment due a number of significant weaknesses identified in the current debt recovery process, including the absence of a specific service level agreement between Adults and Health and Sundry Income for the debt recovery process for Adults and Health service users. The recommendations detailed within the report have been agreed by the service.
- 4.31 During the year three separate primary schools received limited compliance opinions. In these audits the main weaknesses were around compliance with procedures for creditor payments and the management of the school voluntary fund. In one school there were also weaknesses found with payroll procedures. Schools finance referred one of these schools for consideration in our risk-based plan due to concerns they had, and a Headteacher at another school sought an audit due to concerns they had. The Headteachers at all three schools agreed to implement all the recommendations raised during the audits and the implementation of these will be reviewed as part of follow up audits in 2023/24.

Follow Up Work

- 4.32 We completed a follow up audit in relation Housing Leeds – Lettings. The original audit found that the change of system has presented a number of reporting issues resulting in the lack of regular quarterly reporting on the housing register and lettings performance and quality assurance processes. Our follow up work noted that these recommendations had been largely implemented but were still to be fully embedded at the time of the review.
- 4.33 We completed a follow up audit in relation Houses of Multiples Occupancy which focussed on the processing of applications for HMO licences, the review found licences have been processed in line with legislation and significant progress has been achieved towards the development and implementation of a Quality Assurance and Improvement programme (QAIP) for this part of the HMO licensing process. Further work is included in 2023/24 audit plan which will focus on the process for undertaking property inspections.
- 4.34 For one of schools noted in 4.31 above a follow up audit has been undertaken resulting in an overall acceptable opinion as there has been some improvement to the compliance with the control environment and we have been able to provide assurance that some of the recommendations that were raised previously, had been implemented. However, some recommendations remain outstanding particularly in relation the School Voluntary Fund.

Recommendation Tracking

- 4.35 As discussed with the committee over the course of the last year we have been introducing a process aimed at tracking the implementation of high and medium priority recommendations raised within our audit reports. This work is key to helping us understand where controls have been strengthened following our audits and highlighting areas where we may want to re-visit the activity to ensure actions are being progressed appropriately.
- 4.36 Below is a table that shows the number of high and medium priority recommendations raised within each Assurance Block from the start of the recommendation tracking process up to the end of 2022/23, and the progress that has been recorded against these.

Assurance Block	Number of High and Medium Priority Recommendations	Implemented / Closed	Open Recommendations		% of open recommendations recorded as in progress
			Overdue (Brackets indicate recorded as in progress)	Not due yet (Brackets indicate recorded as in progress)	
Children & Families	17	9	8 (0)	0	0%
Procurement	18	18	0	0	N/a
Adults & Health	10	7	2 (0)	1 (0)	0%
Communities, Housing & Environment	44	30	10 (2)	4 (4)	43%
City Development	7	4	3 (3)	0	100%
ICT and Information Governance	9	4	5 (5)	0	100%
Finance & Key Financial Systems	30	16	14 (6)	0	43%
Resources	44	23	7 (7)	14 (9)	76%
Schools	99	84	12 (0)	1 (0)	0%

- 4.37 Whilst there are several recommendations not yet completed, the trackers have enabled the relevant services to provide updates. For example, there are a number of recommendations that are being held until restructuring has been completed in

the associated service areas. The updates provide us with assurance that these recommendations are still on the radar of those with responsibility for implementation.

- 4.38 The onus is on directorate and service leads to update the trackers and ensure we have accurate information to analyse and report on. Whilst the recommendation tracking process still requires some further embedding, and we are looking at ways to improve each area of the process, we are seeing some positive trends in the number of recommendations recorded as implemented or in progress. Our Quality Assurance and Improvement Programme includes actions aimed at automating the process of gathering data on implementation, and we are also working on smarter ways of reporting on the information in response to feedback provided by Members. We will be looking to introduce a sample checking process in 2023/24.

Other Audit Work

- 4.39 During the year we have been involved in a wide range of other audit work. The following section provides a summary of the key areas of this work. A detailed description of the work completed can be found in Appendix C of this report.
- 4.40 **Independent oversight, check and challenge** regarding work practices and proposed changes to services and offering advice regarding the management of potential risk and control risks. We have attended nine of these workstreams and boards and have been able to gain assurance regarding governance and decision-making processes.
- 4.41 In relation to the **Core Business Transformation Programme**, we have been providing ongoing review, advice and challenge to Programme Board, ensuring that working practices are fit for purpose and providing oversight regarding the procurement process. This work contributes across a range of assurances including financial management and control, risk management, governance, decision-making and business innovation.
- 4.42 We have reviewed **anti-money laundering arrangements** in place for Land & Property. This work has contributed to overall assurances in respect of anti-fraud and corruption and legislative / regulatory compliance.
- 4.43 A regular review is undertaken of a sample of decisions to ensure that there is the correct categorisation and there is adequacy of supporting information. This area contributes to **assurances relating to decision making processes**.

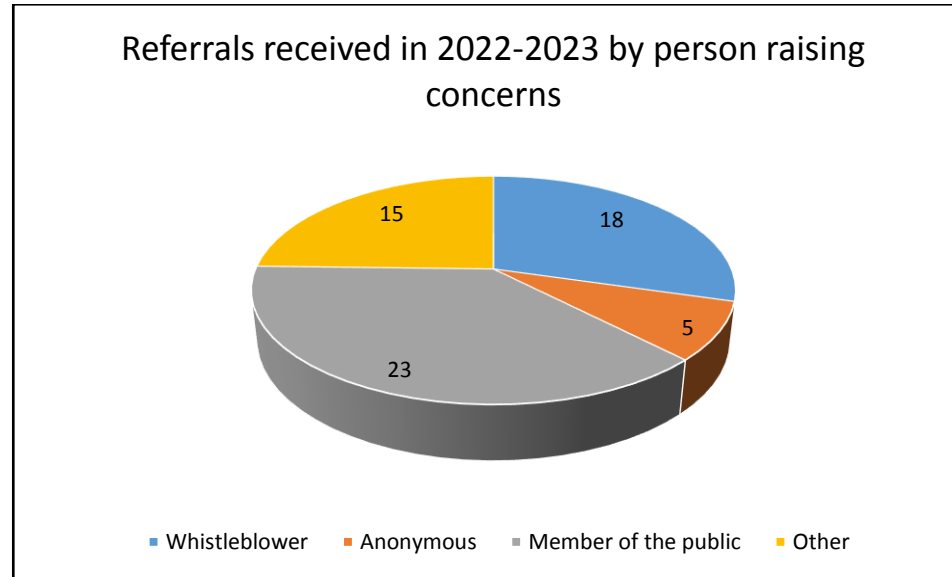
5 Anti-Fraud and Corruption

- 5.1 Leeds City Council is committed to the highest standards of openness, probity and accountability. To underpin this commitment, the council takes a zero-tolerance approach to fraud and corruption and is dedicated to ensuring that the organisation operates within a control environment that seeks to prevent, detect and take action against fraud and corruption.

- 5.2 As custodians of the council's anti-fraud and corruption policy framework and owners of the fraud and corruption risk, Internal Audit adopts an overarching responsibility for reviewing the council's approach to preventing and detecting fraud. In addition to Internal Audit, there are several specialist teams and services across the council that undertake counter-fraud/overpayment work, these include:
- Housing and Tenancy Fraud
 - Blue Badges (Disabled Parking Concessions)
 - Council Tax Support / discounts and Housing Benefits
 - Direct Payments
- 5.3 The anti-fraud and corruption work undertaken includes both proactive anti-fraud and corruption activities (fraud strategies) and reactive work (investigations). The team takes a risk-based approach to ensure the risk of fraud is managed effectively with available resources. Proactive fraud exercises, data analytics work and participation in the National Fraud Initiative (NFI) provide assurance that the authority is taking positive action to detect potential fraud and prevent its recurrence.
- 5.4 The council's Whistleblowing Policy sets out the means by which serious concerns can be brought to the attention of the council. The Whistleblowing Policy is available on the intranet and internet and encourages anyone who has serious concerns about any aspect of the council's work, to come forward and voice those concerns, and for employees to do so without fear of reprisal.
- 5.5 Internal Audit are also the custodians of the Anti-Bribery and the Anti Money Laundering Policies. The purpose of the Anti-Bribery policy is to maintain the high standards of conduct which currently exist across the council by preventing or identifying bribery. The Anti-Money Laundering Policy sets out appropriate and proportionate anti-money laundering safeguards and reporting arrangements within the council. During the year the Anti Money Laundering Policy was reviewed against best practice, updated and promoted on the council's website and Insite during the year. The promotion and accessibility of these policies helps the council to be responsive for emerging risks that are identified.

Reactive Anti-Fraud Work

- 5.6 From 1st April 2022 to 31st March 2023, we received a total of 61 potential irregularity referrals (45 in 2021/22). All reported irregularities were risk assessed by Internal Audit and either investigated by ourselves, the relevant directorate or HR colleagues, as appropriate. Where the matter was referred to directorates or HR for investigation, we have made follow up enquiries to ensure all aspects of the referral have been addressed. The following pie chart summarises the number of referrals received by Internal Audit in the period by referral route.



- 5.7 The referrals received through the 'other route' relate to those shared by external agencies, for example the National Anti-Fraud Network, or other council services seeking advice or assistance. The 61 referrals covered a multitude of issues which are summarised in the table below.

Description of referrals received	Directorate					Total
	Adults and Health	Children and Families	City Development	Communities Housing & Environment	Strategy & Resources	
Payroll & Recruitment Fraud		1		3		4
Economic and voluntary sector support fraud (Covid and other grants)	1		1	1		3
Safeguarding		1				1
Social Care Fraud	1					1

Description of referrals received	Directorate					
	Adults and Health	Children and Families	City Development	Communities Housing & Environment	Strategy & Resources	Total
Staff conduct	1	2		3	1	7
Health and Safety			1			1
Corruption/ maladministration		1		1		2
Bribery of an officer			1			1
Theft		1	1	4	3	9
Procurement fraud, mandate and purchasing cards	2		1		3	6
Non-compliance with policies and procedures		4	2		1	7
Cheque Fraud		1				1
Payment evasion				1		1
Insurance					1	1
Value for Money		1			1	2
Housing tenancy – RTB, abandonment, sub-letting, succession				8		8
Misuse of council funds			1	3	2	6
Total	5	12	8	24	12	61

Closed Referrals

5.8 A total of 50 referrals were closed during the year. The outcomes are shown in the table below by directorate. Where appropriate, the investigation report included recommendations for improvement. These figures include some referrals that were received in the previous financial year. In the new financial year, when investigations are closed, we will be seeking feedback from whistleblowers regarding their experience of raising concerns in the workplace.

Referral type	Adults & Health	Children & Families	City Development	Communities Housing & Environment	Strategy & Resources	Total
Economic and voluntary sector support fraud (Covid and other grants)	1 Not proven		1 Proven legal action being taken to recover funds £3k	1 proven & steps taken by service to strengthen controls 1 no fraud but steps taken by service to strengthen controls	2 Covid grants being recovered	6
Payroll and recruitment fraud				1 Not proven	1 Proven employee resigned	2
Staff conduct	1 Unable to prove/ disprove. Steps taken by service to strengthen controls			1 Not proven 2 Addressed under another council policy	1 Addressed under another council policy	5
Corruption/ maladministration		1 Not proven		1 Not proven	1 Not proven	3
Theft			1 No loss suffered, control environment strengthened	3 Not proven 1 Proven & steps taken by service to strengthen controls & reported to the police	1 Not proven 1 Not proven recommendations raised	7

Referral type	Adults & Health	Children & Families	City Development	Communities Housing & Environment	Strategy & Resources	Total
Cheque fraud		1 Proven bank refunded monies £100 1 Proven Monies fully recovered £4k				2
Mandate fraud	1 Proven – fraud prevented £5.8k				2 frauds prevented 1 fraud proven recovery action being taken £2.4k	4
Non-compliance with policies and procedures		1 Not proven	1 Proven & steps taken by service to strengthen controls		2 Not proven	4
Misuse of council funds			1 Not proven	1 Unable to prove/ disprove steps taken by service to review controls		2
Bribery of Council officer			1 Not proven (referred to police and no further action taken)			1
Payment evasion				1 Referred to external investigative body to investigate		1

Referral type	Adults & Health	Children & Families	City Development	Communities Housing & Environment	Strategy & Resources	Total
Insurance					1 Claim discontinued	1
Health and Safety			1 addressed under another council policy	1 Proven & steps taken by service to strengthen controls		2
Value for money		1 Addressed under another council policy			1 Addressed under another council policy 1 Not proven	3
Safeguarding		1 Not proven				1
Tenancy fraud				5 Not proven 1 Proven (housing application fraud prevented)		6
Total	3	6	6	20	15	50

- 5.9 The table below compares the number of referrals received by financial year. The referrals received during 2020-21 were higher than those in other years, most notably due to concerns being raised regarding covid business grants and other covid related activity. There has been an increase in referrals received in the 2022/23 financial year. This could be attributable to a number of factors, including the increased communication and awareness raising of the channels to raise concerns, the uptake of the fraud awareness training, and the establishment of a Freedom to Speak Up Guardian. We are reviewing the

outcomes of the referrals received in the 2022-23 year and will use this analysis to feed into our targeted proactive reviews during 2023-24.

2019-20	2020-2021	2021-2022	2022-2023
46	74	45	61

Proactive Anti-Fraud Work

5.10 To help ensure that there is an effective counter fraud culture in place within the council, we included time in the counter fraud block of the Internal Audit Plan to undertake proactive fraud reviews. These reviews consider areas identified through various methods, including the use of best practice publications and our internal risk assessments. We undertake horizon scanning and liaison with established internal and external contacts throughout the year to identify emerging frauds and risk areas, to ensure that we take any mitigating actions promptly.

Employee outside interests

5.11 The Fighting Fraud and Corruption Locally 2020 Strategy sets out the importance of having robust arrangements in place for the register of interests to reduce the risk of employee fraud or bribery taking place within a process. This also helps to address the risk of an undue/outside influence over a decision. A significant piece of work was therefore undertaken on employee outside interests. This has looked at the processes in place to manage the risks posed by outside interests, reviewing both the exercises co-ordinated centrally that covers all employees in ‘high risk’ posts, and the various supplementary activities that are in place within areas of significant risk across the Council. A number of recommendations were made, some of which lend themselves to consideration within the Council’s ongoing Core Business Transformation Programme. We have also agreed a number of more immediate actions within those directorates and service areas that are exposed to an increased level of risk due to the day-to-day activities they are involved in.

Bank Mandate Proactive Review

5.12 We have continued to proactively seek new ways to ensure staff within Directorates are aware of their responsibilities in this area. This has included a targeted communication sent to managers around the importance of staff following procedures. We will be requesting that all existing FMS users with specific access rights complete the fraud awareness training. We have agreed with management that the fraud awareness training will be completed prior to a new user being granted access to

update creditor bank details in FMS (this is restricted access). These steps should increase awareness of the fraud risks facing the council and further promote the importance of following procedures to prevent fraud.

Schools Purchasing Cards Review

- 5.13 A review on purchasing card spend at schools has commenced, where the card authoriser (or coding delegate) is in a less senior position than the cardholder, and therefore potentially not in a position to challenge expenditure, in order to provide assurance that the purchases are appropriate for the school.

National Fraud Initiative (NFI)

- 5.14 As part of our proactive anti-fraud work, we take part in the National Fraud Initiative (NFI). The NFI is an exercise conducted by the Cabinet Office every two years that matches electronic data within and between public and private sector bodies to prevent and detect fraud. Where a match is found it may indicate that there is an inconsistency which requires further investigation to determine whether fraud or error has occurred, or if there is another explanation for the match. Relevant teams within the Council (for example, Internal Audit, Welfare & Benefits, Housing and Tenancy Fraud) have been working through the matches on a risk basis.
- 5.15 Internal Audit has overall responsibility for monitoring the progress of this exercise and ensuring that the NFI system is updated. Twenty errors have been identified resulting in the recovery of £40,608¹.

Covid 19 Business Grants

- 5.16 During the year, Internal Audit continued to review and provide information on cases that we were asked to investigate by external bodies. The Business Rates Section has been progressing the fraudulent cases through the recovery process in accordance with the Government's Debt Recovery Guidance. There are 29 cases that are being pursued by the Business Rates Section to the value of £279k. Once these cases have gone through the three-step debt recovery process, they will be referred to the Department for Business Energy and Industrial Strategy (BEIS) for appropriate action. BEIS have confirmed from their post payment assurance checking that they are satisfied from their sample taken, that all grant recipients were eligible for the grants, and their work in this area has now concluded. We have one case that is scheduled to go to court in Summer 2023.

¹ The errors relate to Housing Benefit and Council Tax Reduction Scheme overpayments.

Awareness Raising

- 5.17 In addition to the reactive and proactive work, our counter fraud arrangements include regular communications to staff of current fraud risks, and the signposting of where to report any concerns. During the year we have promoted the Fraud Awareness Training package which is available to staff on the Performance and Learning System, including encouraging managers of staff with no digital access to present this at team meetings. We also reminded staff of our counter fraud policies and how to raise concerns. The June promotion was timed to coincide with World Whistleblower's Day with further communications in September and February that included a reminder to staff to be vigilant of bank mandate fraud. Staff were also made aware of the requirement of the Council to submit data to the Cabinet Office for the National Fraud Initiative (NFI) data matching exercise.
- 5.18 We completed our review of the Anti Money Laundering Policy and developed a Policy on a page. This was promoted to staff alongside the Fraud and Corruption toolkit, the Anti-Money Laundering and Terrorist Financing training and the Fraud Awareness Training package.
- 5.19 The Fraud Awareness Training package specifically tailored for School Staff and Governors was successfully launched on the Leeds for Learning platform as an interactive video. This training aims to provide staff with an understanding of the importance of tackling fraud, bribery and corruption and includes information on the key fraud risks affecting schools, indicators of fraud, and how staff should raise any concerns. The training includes scenarios that are relevant to staff within their roles in the school environment. This has received positive feedback to date.
- 5.20 As members of the National Anti-Fraud Network (NAFN) we receive regular intelligence alerts on active or reported frauds experienced by other member bodies. Details of the fraud risks are shared with the relevant service. We also share this knowledge across the wider audit team as part of the audit preparation process so any risks can be considered within the scope of a review where relevant. We continue to work collaboratively with counter fraud and risk colleagues within the Council to share ideas and promote best practice and the fraud awareness training. We have regular meetings with the Freedom to Speak Up Guardian (FTSUG) where any concerns that are considered to require Internal Audit investigation are discussed and actions agreed. Developing these relationships will enhance our ability to identify and respond to emerging fraud risks.

Regulation of Investigatory Powers Act 2000

- 5.21 The Head of Service (Legal) has confirmed that there have been no applications for directed surveillance or covert human intelligence source (CHIS) authorisations during this financial year. In addition, there has been no use of the powers to obtain communications data over the same period.



Appendix B
Leeds City Council
Internal Audit Annual Report
Audit Resources and
Quality Assurance and Improvement Plan (QAIP)
2022-23

Corporate Governance and Audit Committee

24th July 2023

INTERNAL AUDIT ANNUAL REPORT – AUDIT RESOURCES AND QAIP 2022/23

1 Resources

- 1.1 The Public Sector Internal Audit Standards (PSIAS) Performance Standard 2030 states “The Chief Audit Executive must ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan”. The table below demonstrates that during 2022-23, FTE resources within the Internal Audit have remained the same, however years of experience within the team has increased.
- 1.2 We continue to take a risk-based approach throughout the year and can confirm that resources have been appropriate, sufficient and effectively deployed to achieve the audit coverage necessary to deliver the annual Internal Audit opinion.

Experience of Full Time Equivalent (FTE) staff in post

Years of experience – local government auditing	FTE at 31/03/2022	FTE at 31/03/2023
Less than 1 year	0	0
1 – 5 years	1.68	1.95
6 – 10 years	5	4
Over 10 years	8.89	9.89
Total FTE	15.57	15.84

Proficiency and Due Professional Care

- 1.3 Proficiency and due professional care are a key requirement of the PSIAS. All Internal Auditors have a personal responsibility to undertake a programme of Continuing Professional Development (CPD) to maintain and develop their competence. We have allocated time within the audit plan for CPD, training and personal development to be undertaken throughout the year to continuously improve the knowledge and skills within the Internal Audit section.
- 1.4 All members of the Internal Audit team are professionally qualified or are studying for professional qualifications and the table above demonstrates that there is also a good level of local government auditing experience within the team.

2 Quality Assurance and Improvement Programme and Conformance with PSIAS 2022/23

Internal Audit Performance

- 2.1 The Terms of Reference for the Corporate Governance and Audit Committee include the consideration of the Council's arrangements for monitoring the performance of Internal Audit. This section of the report summarises the performance information that has been reported throughout the year to the Corporate Governance and Audit Committee.
- 2.2 The Public Sector Internal Audit Standards (PSIAS) require a quality assurance framework to be established, which includes both internal and external assessments of the work of Internal Audit. The activities we undertake to satisfy the requirements for internal assessments include:
- Ongoing supervision, performance management, quality assurance and regular review of the procedures that guide staff in performing their duties to ensure they conform to the PSIAS. The latest external certification of our quality management system was undertaken in November 2022, further details are included at 2.5 below.
 - Customer Satisfaction Questionnaires (CSQs) are issued to clients at the end of each assignment and the information returned is used to identify training and development needs. The results of the returned CSQs are reported to the Committee at each update report and an annual summary is included below.
 - Self-assessments are undertaken against the PSIAS for conformance. These standards are currently being reviewed by the Global Institute for Internal Auditors (IIA) with the new standards expected in Q4 2023. We will undertake an assessment against the new standards to ensure that we will comply with them when they come into force, which is expected to be Q4 2024.

- 2.3 The PSIAS require that an external assessment is conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. Our latest assessment by Glasgow City Council took place during 2021 which concluded that Leeds City Council's Internal Audit Service conforms to the requirements of the PSIAS. It had been agreed by the Core Cities Internal Audit Group that rotational peer reviews would be undertaken. The members of the Committee were provided with the full report at the December 2021 meeting. Recommendations included within the external assessment report are included within the Quality Assurance Improvement Programme and progress has been and will continue to be reported to the Committee throughout the year.
- 2.4 Members receive updates on the work of Internal Audit throughout the year. The table below summarises the reports provided to the Corporate Governance and Audit Committee between 1st April 2022 to 30th June 2023.

Report	Purpose
Internal Audit Update Reports	Provided regular summaries of the work undertaken by Internal Audit and allowed the Committee to review the performance of the section.
Annual Report 2021-22	Provided an overview of the work undertaken by Internal Audit and the Annual audit opinion in respect of the Council's governance, risk management and control arrangements for 2021-22.
Annual Audit Plan 2023-24	Presented the proposed Internal Audit Plan for 2023-24 for review and approval.
Counter Fraud Update Reports	Provided six monthly updates of the counter fraud activities undertaken by Internal Audit and information from other service areas who contribute to the Council's counter fraud assurances to give a rounded overview of the work that is being undertaken across the Council on counter fraud activities.

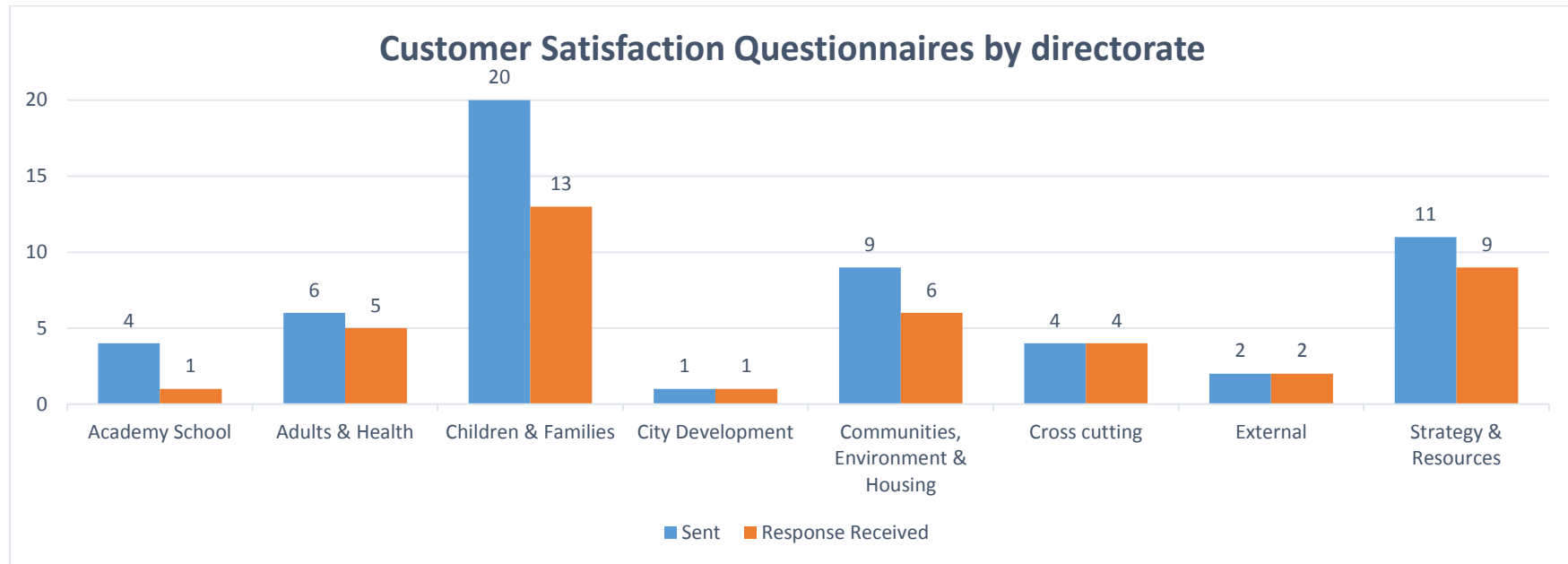
Quality

- 2.5 The latest external certification of our quality management system was undertaken in November 2022. The assessment confirmed that our arrangements continue to conform to the ISO quality management standards and is demonstrating continual improvement. Certification was successfully awarded for a further 3 years, this is subject to an annual surveillance review. All Internal Audit work is undertaken in accordance with internal quality procedures incorporated in the quality management system, which has been ISO certified since 1998.

- 2.6 A customer satisfaction questionnaire (CSQ) is issued with every audit report. The questionnaires ask for the auditee's opinion on a range of issues with an assessment ranging from 5 (for excellent) to 1 (for poor). The table below shows the results for the 41 questionnaires received for the 2022/23 Internal Audit Plan an overall response rate of 72% (for comparison, the 2021/22 Annual Report reported an overall response rate of 85%). The results are presented as an average of the scores received for each question, along with the range of values that make up this average.

Question	Average Score (out of 5)	Max Value	Min Value
Sufficient notice was given	4.88	5.00	4.00
Level of consultation on scope	4.70	5.00	3.00
Auditor's understanding of systems	4.59	5.00	3.00
Audit was undertaken efficiently	4.59	5.00	1.00
Level of consultation during the audit	4.81	5.00	4.00
Audit carried out professionally and objectively	4.83	5.00	3.00
Accuracy of draft report	4.78	5.00	4.00
Opportunity to comment on audit findings	4.96	5.00	4.00
Clarity and conciseness of final report	4.78	5.00	4.00
Prompt issue of final report	4.71	5.00	3.00
Audit recommendations will improve control	4.63	5.00	3.00
The audit was constructive and added value	4.60	5.00	2.00
Overall Average Score	4.74		

- 2.7 The graph below breaks the results down further by showing the return rate by Directorate.



- 2.8 We have continued to look at ways of maximising our CSQ feedback, and the previous Chair of the Committee wrote to the Chief Executive and the Director of Resources to reinforce the reliance that members place upon the CSQ process. This resulted in communications being circulated through the Best Council Leadership Team in an effort to further engage all services in the provision of feedback.
- 2.9 As well as the CSQ process the members of the team receive feedback directly from clients and senior management within the directorates. These have been provided in our regular update report.

Quality Assurance and Improvement Action Plan

- 2.10 The PSIAS require that the results of the Internal Audit Quality Assurance and Improvement Plan (QAIP) are included in the Annual Report. The 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. The 2022/23 Action Plan is provided in the table below.

Action	Timescale and Status
Assurance mapping will continue to be developed to support the annual audit planning process.	Ongoing – we are reviewing our assurance mapping arrangements and will report this to the committee within our 2023/24 update reporting cycle.
Internal development of counter-fraud training for use on the Performance and Learning (PAL) system.	Complete – the counter fraud training has been developed and has now been published on the Council’s Performance and Learning System.
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.	Complete – the communications plan has been developed and the fraud awareness training has been promoted to staff.
Internal Audit Counter-Fraud Insite Page – To update the counter-fraud information available internally through the intranet.	Complete – this has been refreshed in conjunction with the development of the Counter-Fraud strategy and updates to the Whistleblowing Policy and the external Reporting Fraud, Bribery and Corruption web page.
Internal Audit Performance Monitoring – internal performance measures, including KPIs, have been reviewed to support and drive completion of the annual audit plan.	Ongoing – Further work is being undertaken with the aim of reviewing performance measures and producing meaningful information for the committee.
Internal Audit Reporting Protocols – to update and streamline directorate reporting protocols to drive timely completion of audit reports.	Ongoing – We are continuing to look at the most effective ways of developing and embedding our up-to-date audit protocols.
Internal Audit 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 of providing assurances and reflecting the needs of Members.	Complete – The new Internal Audit Report template has been completed. This new template will be used as standard for all future audits.
Internal Audit Technical Manual – To review and update the technical manual as a means of promoting auditing best practice across the team.	Complete – The technical manual has now been reviewed approved.

Action	Timescale and Status
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.	Complete – A Staff Skills Matrix has been developed and an action plan has been agreed. This will be used in 1:1s and appraisals to address any areas for development within the Internal Audit team.
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 provide to the Corporate Governance and Audit Committee.
Customer Satisfaction Questionnaires – continuing process review	Complete – A new approach has been developed and implemented at the start of the new financial year. This will come through in the future update reports.
Automation of the recommendation tracking process – to create an automated process for gathering data on the audit recommendation trackers for each assurance area.	Ongoing – Work has begun on the creation of an automated audit recommendation tracking process that will lessen the administrative burden that exists currently to collate recommendation tracking data.



Appendix C

Leeds City Council

Internal Audit Annual Report

List of Work Completed 2022-23

Corporate Governance and Audit Committee

24th July 2023

INTERNAL AUDIT ANNUAL REPORT – LIST OF WORK COMPLETED 2022/23

1 The Annual Reporting Process

1.1 This section provides a summary of all reports issued that contribute to our opinion in this Annual Report. The table below demonstrates the audit opinions given, and also brings out the range of assurance themes that can be drawn from the work undertaken. This underlines the value added within the section and is a key factor in supporting the Head of Audit’s Annual Opinion. The table also includes details of the Corporate Governance and Audit Committee meeting date where the audits were reported.

Report Title	Audit Opinion			Assurance Themes	Included in Report to CGAC
	Control Environment	Compliance	Impact		
Finance including Key Financial Systems					
Lettings Follow-up	Good	N/A	Minor	Performance Management	June 2023
Procurement					
Semi Independent Living Contract Review	Acceptable	N/A	Minor	Performance Management, Risk and Resilience, Financial Management, Procurement, Contracts and Commissioning, Social Value, Anti-Fraud and Corruption, Value for Money, Governance and Decision Making, Legislative / Regulatory Compliance	February 2023
Directorate risks					
Organisation Culture- Values and Behaviours	Acceptable	N/A	Moderate	Human Resource Management, Risk & Resilience, Ethics & Culture, Consultation & Engagement, Equality, Diversity & Inclusion	June 2023

Report Title	Audit Opinion			Assurance Themes	Included in Report to CGAC
	Control Environment	Compliance	Impact		
Anti-money laundering arrangements for Land & Property	N/a – Memo Issued We were able to provide assurance that there are appropriate and proportionate anti money laundering arrangements in place.			Anti-Fraud and Corruption, Legislative / Regulatory Compliance	June 2023
Children & Families Special Educational Needs Interim Follow Up	N/a – Memo Issued We have confirmed that the service has developments in progress which are based on our original recommendations, and we have received assurances that these will now be prioritised for implementation as soon as possible. As a result of this issue, we have agreed further recommendations that will strengthen financial management within the service. Progress against these has been reviewed as part of the formal follow up which is included in the table below.			Financial Management, Legislative / Regulatory Compliance, Business Innovation and Development	September 2023
Houses of Multiple Occupancy Follow Up	Good	Good	Minor	Performance Management, Risk and Resilience, Health and Safety, Legislative / Regulatory Compliance	September 2023
Adults and Health Debt Recovery	Limited	N/a	Moderate	Financial Management, Safeguarding, Risk and Resilience, Legislative / Regulatory Compliance	September 2023
Deputy and Estates	Good	N/a	Minor	Safeguarding, Financial Management, Legislative / Regulatory Compliance, Anti-Fraud and Corruption	September 2023
Supported Accommodation	Good	N/a	Minor	Financial Management, Value for Money, Legislative / Regulatory Compliance	September 2023

Report Title	Audit Opinion			Assurance Themes	Included in Report to CGAC
	Control Environment	Compliance	Impact		
School Audits					
School Audit 1	Acceptable	Limited	N/A	Financial Management, Anti-Fraud and Corruption, Risk and Resilience, Governance & Decision Making.	February 2023
School Audit 2	Acceptable	Limited	N/A	Financial Management, Anti-Fraud and Corruption, Risk and Resilience, Governance & Decision Making.	February 2023
School Audit 3	Acceptable	Limited	N/A	Financial Management, Anti-Fraud and Corruption, Risk and Resilience, Governance & Decision Making.	June 2023
School Audit 4	Substantial	Good	N/A	Financial Management, Anti-Fraud and Corruption, Risk and Resilience, Governance & Decision Making.	June 2023
School Follow up 1	Good	Acceptable	N/A	Financial Management, Anti-Fraud and Corruption, Risk and Resilience, Governance & Decision Making.	June 2022

- 1.2 The table below provides a summary of the audits which are substantially complete. In these instances, the work has been completed and contributes to the opinion in this Annual Report. However, the reports have not been formally issued. The table shows the proposed audit opinions and the range of assurance themes that can be drawn from the work undertaken.

Report Title	Proposed Audit Opinion			Assurance Themes
	Control Environment	Compliance	Impact	
Finance including Key Financial Systems				
CIS Payments	Substantial	Substantial	Minor	Financial Management, Risk and Resilience, Safeguarding, Legislative / Regulatory Compliance, Business Innovation and Development
Children & Families: Finance Policies and Use of Section 17 Fund	<p>N/a – memo issued</p> <p>We have undertaken a review of several finance policies within Children and Families to ensure that these are fit for purpose. This has identified a number of opportunities to strengthen the overall control environment.</p> <p>We will be undertaking a review of progress in implementing the recommendations made in 2023/24</p>			Financial Management, Legislative / Regulatory Compliance, Value for Money, Safeguarding
Budget Monitoring and Control	Good	N/a	Minor	Performance Management, Risk and Resilience, Financial Management, Business Innovation and Development, Value for Money, Governance and Decision Making, Legislative / Regulatory Compliance
Business Rates	Substantial	Good	Minor	Performance Management, Risk and Resilience, Financial Management, Legislative / Regulatory Compliance, Value for Money
Creditor – Invoicing System Implementation	Good	Substantial	Minor	Performance Management, Risk and Resilience, Financial Management, Legislative / Regulatory Compliance, Value for Money

Report Title	Proposed Audit Opinion			Assurance Themes
	Control Environment	Compliance	Impact	
Income Management System	Acceptable	N/a	Minor	Performance Management, Risk and Resilience, Financial Management, Legislative / Regulatory Compliance
ICT and Information Governance				
Data Protection Impact Assessment Follow Up	<p>N/a – memo issued</p> <p>We have reviewed the progress being made by the service to implement the recommendations made in our original report and have confirmed that new systems are being developed that should either address or facilitate the implementation of these.</p> <p>A further review of the DPIA process will be undertaken in 2023/24 to ensure all key controls in the new DPIA system are operating as expected.</p>			Information Governance, Legislative / Regulatory Compliance, Risk and Resilience, Project and Programme Management
Cyber Security	Acceptable	N/a	Moderate	Cyber Security, Risk and Resilience, Information Governance, Legislative / Regulatory Compliance
Privileged User Access Follow Up	Limited	N/a	Moderate	Cyber Security, Information governance, Legislative / Regulatory Compliance, Risk and Resilience, Anti-Fraud and Corruption
Procurement				
Management of Off Contract Expenditure within Parks & Countryside	Acceptable	N/a	Moderate	Procurement, Contracts & Commissioning, Value for Money, Risk & Resilience, Governance & Decision Making, Legislative / Regulatory Compliance, Anti-Fraud and Corruption, Social Value

Report Title	Proposed Audit Opinion			Assurance Themes
	Control Environment	Compliance	Impact	
Directorate risks				
Special Educational Needs Follow Up	Acceptable	Acceptable	Minor	Financial Management, Legislative / Regulatory Compliance, Business Innovation and Development
No Recourse to Public Funds Follow Up	Limited	Limited	Moderate	Financial Management, Anti-Fraud and Corruption, Safeguarding, Legislative / Regulatory Compliance
Business Continuity	Good	N/a	Minor	Performance Management, Risk and Resilience, Financial Management, Anti-Fraud and Corruption, Governance and Decision Making, Legislative / Regulatory Compliance, Partnerships, Ethics and Culture
Risk Management	Acceptable	N/a	Minor	Performance Management, Risk and Resilience, Financial Management, Business Innovation and Development, Governance and Decision Making, Project and Programme Management, Legislative / Regulatory Compliance

1.3 During the year, we have certified 18 School Voluntary Funds and completed 22 reviews which have provided assurance to various central government departments and other bodies that grant conditions have been complied with. These are listed below:

- Contain Outbreak Management Fund 2021- 22 Grant return
- Local Transport Fund Block Funding 2021-22
- Pothole and Challenge Fund 2021-22
- Local Transport Capital Block Funding (National Productivity Investment Fund (NPIF)) Specific Grant Determination (drainage) 2021-22

- Cycle City Ambition Grant 1 & 2 2021-22
- Universal Drug Treatment Grant
- In-patient Detox Grant
- Test and Trace Support Payment Grant
- Transforming Cities Fund
- Active Travel Fund Tranche 2
- Getting Building Fund
- West Yorkshire Plus TF
- National Productivity Investment Fund - Split Cycle Offset Optimisation Technique / Leeds A6120 Outer Ring Road Cycle Superhighway
- Economic Development (LGD) 2021 22
- Disabled Facilities Grant 2021/22
- Bus Operators Grant
- Green Homes Grant Local Authority Delivery 1B
- Weight Management Grant
- Green Homes Grant Local Authority Delivery 2
- Holiday Activities and Food Programme 2022 Grant review
- West Yorkshire Pension Fund Contributions
- West Yorkshire Combined Authority Adult Education Budget Funding Assurance 2021/22

2 Other Audit Work

2.1 During the year we have been involved in a wide range of other audit work which, whilst not culminating in the issue of a formal report, has enabled us to provide ongoing oversight and advice in respect of internal control, governance and transformational activities. The table below summarises the work we have undertaken.

Audit Work Completed	Details	Contribution to Assurance
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.	<p>We have worked alongside financial services on the continuing development and evolution of a range of financial dashboards that will prepare the authority for the transformation.</p> <p>We have also provided consultancy work through the Purchase to Pay (P2P) workstream to aid in the development of purchase to payment systems, including contract management arrangements.</p> <p>The work contributes across a range of assurances including financial management, risk management, governance & decision making, business innovation and development, procurement, social value, value for money and Legislative / Regulatory Compliance.</p>
Core Business Transformation – Programme Assurance	<p>Ongoing work to provide review, advice and challenge to the Programme Board including oversight and advice around the procurement process.</p> <p>The finance solution has been identified and KPMG have been appointed to assist officers in implementing the system. A procurement exercise is almost complete to procure new Core HR and payroll technology alongside an Implementation and Transformation Partner.</p>	We have continued to provide assurance in respect of the procurement and risk management process including the provision of regular reports to the Programme Board. The work contributes across a range of assurances including financial management and risk and resilience, governance and decision making, human resource management, project and programme management, procurement, contracts and commissioning and business innovation and development.

Audit Work Completed	Details	Contribution to Assurance
Contracts Procedure Rules Review	Contribution to the regular 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. This has continued to focus on the accessibility of clear guidance and the way in which CPRs can facilitate commercial activity and empower decision making at the appropriate level.
Financial Regulations Review	Contribution to the review of the Council's Financial Regulations	The work helps to ensure that the Council's Financial Regulations remain up to date and fit for purpose. This has included a review of ownership and oversight of the regulations.
£150 Energy Bill Support Scheme and Alternative Fuel Payment Scheme	Attendance at Project Board set up to oversee the administration of the £150 energy bill support payment to eligible properties, including the discretionary grant component. Provision of guidance and advice regarding the assurance processes for the Alternative Funding Scheme.	Our place on the Project Board and Alternative Payment sub group enables us to provide advice around the controls in place and to ensure that these are designed to meet government guidance and mitigate the risk of fraud. This has also enabled us to review lessons learned in real time.
Homes for Ukraine	Attendance across various groups to oversee the administration of payments to both sponsors and families under the Homes for Ukraine scheme.	This enables us to provide support and advice around the security and integrity of the payments process, ensuring that controls are designed to meet the government guidance and mitigate the risk of fraud or error.
Information Governance Policy Review Group	Attendance at a group set up to review existing information governance policies and protocols.	This enables us to provide support and advice around the policies under review, also offering valuable oversight around the risk management process.

Audit Work Completed	Details	Contribution to Assurance
Data Management	A review on the processes in place to ensure security of personal and special category data held and processed by the council.	<p>The work concluded that although there is a framework of policies, standards and guidelines in place in relation to information security and governance, a number of improvements are required to ensure that the security of data and information remains appropriate. This has been fed back to the business through attendance at the Information Policy Review Group.</p> <p>The work contributes across a range of assurances including information governance, legislative / regulatory compliance, safeguarding, governance and decision making and risk and resilience.</p>
Office of Data Analytics	Attendance at the Office of Data Analytics Board meetings.	<p>This enables us to provide support to the service and ensure that potential risks and control weaknesses are highlighted and considered in the development of the service.</p> <p>Attendance at these meetings also enables us to build intelligence and have greater insight regarding emerging risks.</p>
IDS Governance	Ongoing work to ensure there are appropriate governance arrangements in place within IDS and that they are operating effectively.	<p>We have worked alongside IDS to map and review their governance arrangements to ensure that they are appropriate and are operating effectively.</p> <p>The work contributes across a range of assurances including governance and decision making, legislative / regulatory compliance, consultation and engagement.</p>

Audit Work Completed	Details	Contribution to Assurance
Project Management	Ongoing work to provide support and challenge to the service in the development in the new arrangements for the management of ICT projects.	We have worked alongside IDS on the development of the new arrangements for managing programmes and projects. The work contributes across a range of assurances including project and programme management, governance and decision making and business innovation.
Directorate Sundry Income	An analytical review of Directorate Sundry Income to identify areas of concern which may require further investigation	<p>We undertook an analytical review of invoices raised in Civica Financials to identify any inconsistencies, or variances that may require additional investigation. No areas of concern were identified and the information has been fed into the audit planning process.</p> <p>The work contributes across a range of assurances including financial management, performance management, value for money and legislative / regulatory compliance.</p>
Treasury Management	Data analytics covering treasury transactions from April 2022 to January 2023.	<p>We focussed on treasury transactions using data analytics to provide assurance that treasury transactions have been correctly recorded and accurately paid or received. We confirmed these transactions were traceable through bank accounts and that overall limits on treasury activities, outlined in the Treasury Management Strategy, had not been exceeded.</p> <p>The work contributes across a range of assurances including financial management, performance management and asset management.</p>

Audit Work Completed	Details	Contribution to Assurance
Adults & Health Transformation Programme	Attendance at groups within Adults & Health that have been set up to deliver a key area of transformation for the service in relation to the delivery of home care.	<p>We provide a check and challenge role to support the service and ensure that potential risks and control weaknesses are highlighted and considered in the service redesign.</p> <p>The work contributes across a range of assurances including financial management, value for money, governance and decision making, project and programme management, procurement, contracts and commissioning and business innovation and development.</p>
Income Recovery Board	Attendance at the Adults & Health Programme Board overseeing various ongoing developments looking at maximising client contributions.	<p>We provide a check and challenge role to support the service and ensure that potential risks and control weaknesses are highlighted and considered in the service redesign.</p> <p>Attendance at these meetings also enables us to build intelligence and have greater insight regarding emerging risks.</p>
Adults & Health Budget Review Group	Attendance at a group within Adults & Health that has been set up to monitor progress in the achievement of Budget Action Plans.	This provides us with valuable oversight of progress against Budget Action Plans within the directorate, including the agreement of actions taken where risks to delivery are identified. This also enables us to understand risks and challenges faced by the service that we feed into our audit planning process.
Children & Families Delivery Board	Attendance at a board set up to oversee the plan for guiding Children & Families improvement work during the period of transition out of the pandemic and recovering from its impacts	<p>Providing oversight, input and challenge in relation to the workstreams put in place to deliver budget action plan savings.</p> <p>The work contributes across a range of assurances including financial management and risk and resilience, governance and</p>

Audit Work Completed	Details	Contribution to Assurance
		decision making and project and programme management.
Children and Families – Families First Grant Validation	Regular ad-hoc grant claim validation work carried out throughout the year to support the Directorate.	We were able to confirm the validity of the relevant claim. The work contributes to assurances in respect of financial management and governance.
External Residential Payments	An audit to provide assurance that the most appropriate setting has been made to meet the needs of the child whilst also achieving value for money for the Council.	<p>We commenced a review of external residential placements within the directorate. Subsequent to this as part of the Children & Families Delivery Board work, the service has commenced their own Brokerage Review looking at the overall placement process. This includes the work being carried out as part of the review.</p> <p>Discussions have been held with the service and it has been agreed that the proposed review will be closed. Instead we will provide a check and challenge role through attendance at the Children & Families Delivery Board and supporting the individual workstreams as required to ensure that potential risks and control weaknesses are highlighted and considered.</p>
Decision Making Assurances	A regular review of a sample of decisions made to ensure the correct categorisation and the adequacy of supporting information.	This enables to provide assurance that the decision-making process is working effectively. Where issues have been identified, these are fed back to the Governance Support Teams where appropriate. The issues that we have identified have highlighted opportunities for incremental improvement and reflection rather than significant weaknesses in the arrangements.

Audit Work Completed	Details	Contribution to Assurance
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.

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Draft Statement of Accounts 2022/23

Date: 24th July 2023

Report of: Chief Finance Officer

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- The report presents the draft statement of accounts for 2022/23 to the committee for information.
- The draft accounts will be approved by the Chief Finance Officer, and following this will be made available for the statutory public inspection period on the council's website.
- The accounts will be subject to audit by Grant Thornton over the autumn and winter, and it is anticipated that the final audited accounts will be presented to the committee for approval in February.

Recommendations

- a) Members are asked to note the unaudited statement of accounts for 2022/23, which is to be certified by the Chief Finance Officer

What is this report about?

- 1 The purpose of this report is to present to the Committee the draft unaudited 2022/23 Statement of Accounts. The Statement of Accounts is included with the agenda as a separate document for Committee members and is also published on the Council's internet site with the Committee papers. Details of roles, responsibilities and timescales for approving the annual statement of accounts are given from paragraph 9 below.

What impact will this proposal have?

- 2 This is a factual report from the Chief Finance Officer on the Council's 2022/23 financial accounts. The accounts present the council's financial position for the year in the format required by accounting standards, incorporating technical transactions relating to non-spendable reserves in addition to the outturn position which members will already be aware of.
- 3 The main financial issues arising from the statement of accounts are :
 - 3.1 The final outturn position for the year was a £12.4m overspend in comparison to the latest budget. The overspend was funded from the Strategic Contingency Reserve, with the level of the General Fund Reserve being unchanged at £33.2m.
 - 3.2 The Council's net worth has increased by £1,753m during the year and stands at £4,136m. The most significant factor in this increase was a reduction in net pensions liabilities of £1,498m. This change is primarily due to the fact that the current value of future pension payments is estimated using a discount factor based on corporate bond yields, which have risen significantly over the course of the year as interest rates have risen. The position for the Council's mainstream Local Government Pension Scheme funded pensions has changed from a net liability to a net pension asset of £98m. This situation is extremely unusual, and it should be noted that the significant change in the pensions position reflects the way in which it is required to be measured at the balance sheet date, rather than any significant reduction in the Council's expected future pension contributions.
 - 3.3 The value of the Council's land, property and equipment held on the balance sheet has increased by £357m. This increase included £397m of expenditure on new or existing assets, with assets valued at £72m being disposed of during the year.
 - 3.4 Net borrowing during the year for capital and treasury purposes has increased by £232m, in comparison to an increase of £105m in the borrowing element of the capital financing requirement.
 - 3.5 The Council's level of usable reserves has decreased by £64.2m, with usable capital reserves decreasing by £36.3m and usable revenue reserves decreasing by £27.9m.
 - 3.6 The deficit on the Collection Fund reduced significantly during the year, as the Council and other precepting bodies made the second of three annual contributions towards the deficits which had arisen during 2020/21 due to the impact on council tax and business rates income of the coronavirus pandemic. The position on business rates before these deficit contributions was a deficit, however this position included additional reliefs being granted to businesses for which the council receives grant funding, and £8.7m of grant funding has been carried forward in earmarked reserves to be applied in 2023/24 to offset the impact of the additional reliefs on the 2023/24 precept. The Council's share of the closing business rates deficit is £9.1m and its share of the council tax deficit is £7.5m. These figures include the impact of legislation which allows the portion of the 2020/21 deficits for both council tax

and business rates which were not funded by grants to be spread over three years from 2021/22 to 2023/24.

- 4 A full analysis of these and other financial issues is included in the Foreword of the Chief Finance Officer which can be found at the front of the accounts.

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

Health and Wellbeing Inclusive Growth Zero Carbon

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

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 6 This is a factual report from the Chief Finance Officer on the Council's 2022/23 financial accounts and consequently no public, ward member or councillor consultation or engagement has been sought.

What are the resource implications?

- 7 This is a factual and retrospective report of the Chief Finance Officer on the financial accounts of the Council for 2022/23. There are no additional financial or value for money implications.

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

- 8 The Council's external auditors will provide a risk assessment on the accounts process as part of their annual audit plan, which is expected to be presented to the Committee at the September meeting. The specific areas identified as audit risks will be covered as part of their audit work, and any issues arising will be reported to this committee at the meeting at which the final audited accounts are presented for approval.

What are the legal implications?

- 9 The Accounts and Audit Regulations 2015 set out the timescales and the roles and responsibilities for approving English local government annual accounts.
- 10 The requirements for approving the statement of accounts are :
- 10.1 The draft accounts are required to be certified as a true and fair view of the Council's financial position by the Responsible Financial Officer, and then to be made available for public inspection for a period of thirty working days.
- 10.2 In response to the ongoing impact of the coronavirus pandemic and delays to the audit process arising from a number of factors, the government had previously made changes to the Regulations to extend the publication deadlines for councils' draft accounts for 2020/21 and 2021/22 to 31st July. However for 2022/23 the government opted to set the publication

date as 31st May. In setting this date, the government had been made aware via a consultation that it would not be achievable for a significant number of councils. In the event, less than a third of English local authorities published their draft accounts by 31st May, and the Council is therefore not unusual in publishing its 2022/23 draft accounts later than the statutory deadline. A notice was published on the Council's website explaining the reasons that the date of 31st May was not met and giving the expected timescales for publication.

10.3 Once the audit process has been completed, this Committee is charged with approving and publishing the final audited accounts on behalf of the Council. For the 2022/23 accounts the Government has brought forward the deadline for publishing final audited accounts to 30th September 2023. In the event that the audit is not completed by the statutory date, as has been indicated by Grant Thornton will be the case, a notice must be published on the council's website by this date to explain the delay.

10.4 To enable members to discharge their responsibilities for approving the accounts, which is expected to be at the February 2024 meeting of the Committee, the following assurances can already be given, or will be given within the approval process :

- a) The Chief Finance Officer in her capacity as the Responsible Financial Officer will sign the draft 2022/23 accounts, confirming that she is satisfied that they present a true and fair view of the Council's financial position.
- b) The accounts have been drawn up in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, which represents proper accounting practice for local authorities, as required by the Accounts and Audit Regulations 2015.
- c) Grant Thornton will be undertaking a detailed audit of the accounts to ascertain that, in their view, the accounts show a true and fair view of the Council's financial position. They will report any significant issues back to this Committee.
- d) Stakeholders have thirty working days while the accounts are on deposit to look through the accounts and supporting documentation and raise any questions with the auditors or to object to the accounts. If considered an eligible objection the auditors would investigate the complaint or questions and determine whether the accounts needed amendment. Any significant issues raised in this way would be reported back to this Committee. For 2022/23, the public inspection period will commence on 24th July.
- e) Members have the opportunity to question officers on any aspect of the accounts at this Committee or in the February Committee prior to approving the accounts. In addition, informal briefing sessions will be held for members before the final audited accounts are presented to the Committee for approval.

Options, timescales and measuring success

What other options were considered?

11 The report presents the 2022/23 draft statement of accounts to the committee, and does not relate to a proposed course of action requiring options.

How will success be measured?

12 The results of Grant Thornton's 2022/23 audit will be reported to the committee.

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

13 The report relates to financial performance in the 2022/23 financial year rather than to future actions which would require implementation.

Appendices

- None

Background papers

- None

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Interim Annual Governance Statement

Date: 24th July 2023

Report of: Chief Officer Financial Services

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report supports the fulfilment of the Council's statutory duty to review its system of Internal Control, and to produce an annual governance statement.

The report documents the review of Internal Control in the form of the corporate governance framework and assurance map (Appendix A)

The Interim Annual Governance Statement (Appendix B) is shared with the committee for information prior to the period of public deposit.

The final Annual Governance will be submitted to Committee for approval at the September 2023 Committee.

Recommendations

- a) Corporate Governance and Audit Committee are asked to consider and note the contents of the Corporate Governance Framework and Assurance map and the Interim Annual Governance Statement.

What is this report about?

- 1 This report informs Corporate Governance and Audit Committee of the annual review of internal control which has been undertaken and sets out the Interim Annual Governance Statement prior to publication for public consultation.

What impact will this proposal have?

- 2 This report ensures the committee's oversight of statutory processes, which have been carried out in accordance with proper practice as required by regulation and set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016) (Proper Practice).

Corporate Governance Framework and Assurance Map.

- 3 In March 2022, the committee approved the Local Code of Corporate Governance (The Code) which is reviewed in line with and meets the requirements of proper practice. The Code sets out Seven Principles (derived from the Delivering Good Governance in Local Government: Framework (CIPFA / Solace 2016), which is a best practice framework for developing and maintaining a locally adopted code of governance) each of which is supported by a set of commitments.
- 4 The Code provides at paragraph 4, that
“Corporate Governance and Audit Committee is responsible for oversight of these corporate governance arrangements and will receive annual reports setting out the Framework of Internal Control and mapping the assurance available prior to approval of the Council’s Annual Governance Statement”.
- 5 Appendix A attached sets out the Corporate Governance Framework and Assurance map, which are presented by each principle in turn, in relation to which it articulates each commitment, the arrangements in place to meet the commitment (the Governance Framework), and the evidence to provide assurance that the effectiveness of these arrangements has been monitored and evaluated in the year (the Assurance Map).
- 6 Assurance is based on the three lines of assurance model:
 - i. Operational – assurance from those with day-to-day management and operation control within the control framework.
 - ii. Specialist – assurance from those with specialist oversight and control, and responsibility and accountability for delivery of the control environment.
 - iii. Independent – independent assurance provided by those with no direct responsibility for the delivery of the control environment.
- 7 Together, the Governance Framework and Assurance Map provide the committee with assurance that there are systems and processes in place across the Council to meet the principles and commitments set out in the Code. They are not intended to provide an exhaustive list of arrangements, or of the evidence available, however the committee should be satisfied that there is sufficient evidence to confirm that the arrangements in place comply with the Code and that they are efficient and effective.
- 8 In turn this review of internal control will enable the committee to assess the final annual governance statement prior to approval.

Internal Annual Governance Statement

- 9 Proper Practice recognises that the annual governance statement (AGS) is a valuable means of communication. It enables the council to explain to the community, service users, taxpayers and other stakeholder its governance arrangements and how the controls it has in place manage risk of failure in delivering its outcomes. It provides that the AGS should:
 - a) Provide a meaningful and brief communication regarding the review of governance that has taken place, including the role of the governance structures involved.
 - b) Be high level, strategic and written in an open and readable style
 - c) Reflect an individual authority’s particular features and challenges.
 - d) Be focused on outcomes and value for money and relate to the authority’s vision for the area
 - e) Provide an assessment of the effectiveness of the authority’s governance arrangements in supporting the planned outcomes.
- 10 The Accounts and Audit Regulations 2015, part 3, states that the commencement of the period of the exercise of public rights for the Council’s draft accounts and Interim Annual Governance

Statement should take place by 31st May 2023. Where the period of the exercise of public rights has not commenced, a relevant authority must publish as soon as reasonably practicable.

- 11 Recent research by LG Improve shows that 94/314 (30%) have released these documents to the public domain by the 31st May deadline.
- 12 A notice was published on the Council's website explaining the reasons that the date of 31st May was not met and giving the expected timescales for publication. It is expected that the Interim AGS will be added for public deposit for public inspection with the draft accounts on 24th July 2023.
- 13 The Interim Annual Governance Statement attached at Appendix B is the draft which will be placed on public deposit. Any objections or questions raised will be reported to committee when the Final AGS is brought for approval at the September 2023 meeting.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 14 The internal review provides assurance that the arrangements in place to ensure that the Council is able to deliver its strategic goals through value for money and sustainable use of resources.

What consultation and engagement has taken place?

Wards affected: None

Have ward members been consulted? Yes No

- 15 The Interim Annual Governance Statement has been developed in consultation with officers with specialist oversight and expertise including the Monitoring Officer and Chief Financial Officer.
- 16 The draft statement has been shared with the Chief Executive and Directors, and with the Leader of Council and Executive Member for Resources prior to publication.
- 17 Members of the committee have had opportunity to see and comment on the draft statement prior to signature by the Chief Officer Financial Services.

What are the resource implications?

- 18 This report provides assurance that arrangements in place support the sustainable use of the Council's resources.

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

- 19 This report provides assurance that the Council has effective arrangements for the management of risk but recognises that this framework cannot eliminate all risk to the achievement of policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

What are the legal implications?

- 20 Regulation 3 of the Accounts and Audit Regulations 2015 obliges the council to ensure it has a sound system of internal control which facilitates the effective exercise of its functions and the

achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangement for the management of risk.

21 The review of internal control detailed has carried out in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, and proper practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016).

Options, timescales and measuring success

What other options were considered?

22 None

How will success be measured?

23 The Interim Annual Governance Statement will be placed on public deposit.

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

24 The period for public deposit is required to commence by no later than 1st August 2023

Appendices

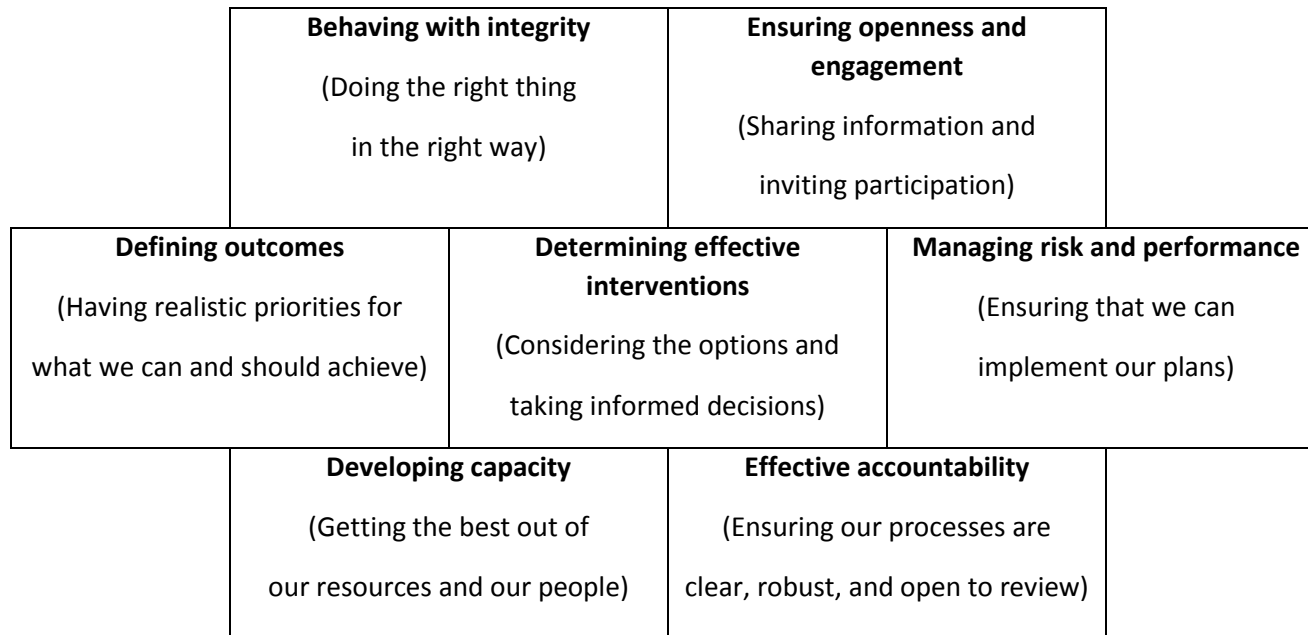
- Appendix A – Corporate Governance Framework and Assurance Map
- Appendix B – Interim Annual Governance Statement

Background papers

- None

LEEDS CITY COUNCIL CODE OF CORPORATE GOVERNANCE FRAMEWORK OF INTERNAL CONTROL AND ASSURANCE MAP 2023

The Code of Corporate Governance set out in the Constitution sets out the Council’s Principles of Corporate Governance and articulates a set of commitments for each.



This Framework of Internal Control shows how the Council’s arrangements meet each of those commitments, and the Assurance Map shows how we evidence that arrangements are working as intended, identify weaknesses and opportunities for improvement, and oversee improvement plans.

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 1 - Behaving with integrity: (Doing the right thing in the right way)

We will behave with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
<p>We are committed to ethical governance and will embed our values and use them as the basis for planning and implementing services; have clear and enforced codes of conduct for Members and officers; and will work with external providers to ensure that they share our ethical standards.</p>	<p>Values: We have adopted clear values, supported by described behaviours which are embedded throughout our arrangements.</p>	<p>Constitution Council and democracy (leeds.gov.uk) Local Code of Corporate Governance – Part 5 j</p>	
		<p>The best place to work – our people strategy 2020 to 2025 (leeds.gov.uk)</p>	Operational
		<p>Survey of Internal Control: <ul style="list-style-type: none"> #TeamLeeds Values & behaviours </p>	Specialist
	<p>Member Conduct: Standards and Conduct Committee is required to promote and maintain high standards of conduct by members and co-opted members of the authority. We have adopted the Members Code of Conduct (amended as necessary and appropriate) which Members commit to through their acceptance of office. We provide guidance and training to Members at Induction and as appropriate to support clear knowledge and understanding of the Code and arrangements for the registration and declaration of interests, gifts and hospitality. We consider complaints in relation to breach of the Code of Conduct in accordance with our published procedure.</p>	<p>Constitution Council and democracy (leeds.gov.uk) Standards and Conduct Committee Terms of Reference – Part 3 Section 2B c Code of Conduct Complaints Procedure Rules – Part 4 k Members Code of Conduct – Part 5 a</p>	Operational
<p>We have appointed an Independent Person. Gordon Tollefson appointed for five years, until July 2022. It is proposed to extend this term of office for two years to enable</p>	<p>Standards and Conduct Committee received The Annual Report of the Monitoring Officer item 7 10th March 2023 LGA Model Councillor Code of Conduct, Annual Review of Protocols, and The Independent Person - item 8, 9 and 10 - 14th March 2022; General Purposes Committee received Amendments to Councillor Code of Conduct, and Independent Person – item 7 and 9 16th May 2022 Council received The Annual Report of the Standards and Conduct Committee – item 96 22nd March 2023</p>	Specialist	
		<p>Appointed by full Council – item 100 29th March 2017 Proposals considered by Standards and Conduct Committee. item 11 14th March 2022</p>	Independent

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

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	the Outgoing Independent Person to support appointment and transition to a new Independent Person.		
	Officer Conduct: We have adopted the Employee Code of Conduct which is included in the terms and conditions of employment. We have established arrangements for the registration of interests and gifts and hospitality.	Constitution Council and democracy (leeds.gov.uk) Employee Code of Conduct – Part 5 b	Operational
		Survey of Internal Control <ul style="list-style-type: none"> Employee Code of Conduct and arrangements for Declaration of interests and registration of Gifts & hospitality Arrangements to prevent conflict of interests 	
		The annual assurance report in relation to employment policies and employee conduct received by Corporate Governance and Audit Committee Item 67 - 6th February 2023	Specialist
	Providers: Arrangements are embedded through our Contracts Procedure Rules, Standard Selection Questionnaire for high value procurements, and our standard terms and conditions.	Internal Audit Review of arrangements in relation to employee interests has been completed.	Independent
		Constitution Council and democracy (leeds.gov.uk) Contracts Procedure Rules – Part 4 h	Operational
The annual assurance report on procurement is received by Corporate Governance and Audit Committee. Item 22 29th July 2022		Specialist	
We will abide by the rule of law and will act in accordance with the legal and regulatory framework, dealing effectively with any breach	The City Solicitor is designated as Monitoring Officer. The Monitoring Officer Protocol sets out arrangements to ensure that they are able to discharge the role effectively. The Legal Service has achieved and maintained Lexcel Accreditation Arrangements are in place to ensure that officers and Members have access to legal advice and guidance, including named legal	Constitution Council and democracy (leeds.gov.uk) Monitoring Officer Protocol – Part 5 e	Operational
		Survey of Internal Control <ul style="list-style-type: none"> Arrangements to ensure legal and regulatory compliance, including <ul style="list-style-type: none"> arrangements for obtaining legal advice and guidance, and 	Operational

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

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Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
	<p>officers providing advice to Council and Executive committees and officer decision making panels. The corporate report template requires that the legal implications of each proposal are set out and can be considered by the relevant decision maker. All Executive Board reports are considered by colleagues in legal. Officer decisions can be referred to legal at the discretion of the decision maker.</p> <p>There is proactive engagement between legal service and directorates on high profile / sensitive matters, with weekly updates to City Solicitor and Director on high profile / sensitive cases or those with significant reputational or financial risk for Council.</p>	<ul style="list-style-type: none"> ○ arrangements for the outsourcing of legal work 	
	<p>Advice and guidance are available to all directorates to ensure procurement is legally compliant. Standard Terms and Conditions ensure providers are legally compliant and held to account (e.g., Data protection)</p>	<p>Enquiries of Specialists - City Solicitor</p>	Specialist
		<p>Annual Review of Protocols received by Standards and Conduct Committee Item 9 14th March 2022</p>	Operational
		<p>Published agendas and delegated decisions include legal implications. For example: Housing Activity Update received at Environment, Housing and Communities Scrutiny Board, 10th November 2022</p>	Operational
		<p>Internal Audit carries out testing of published decisions.</p>	Independent
<p>We will have a zero-tolerance approach to corruption and misuse of power</p>	<p>We have adopted a suite of counter fraud and corruption policies and procedures including:</p> <ul style="list-style-type: none"> ● Counter fraud and corruption strategy and response plan ● Anti-money laundering policy ● Anti-bribery and corruption policy ● Whistleblowing policy <p>We have nominated a Counter Fraud and Corruption Member Champion</p>	<p>Website Reporting Fraud and Corruption (leeds.gov.uk)</p>	Operational
		<p>Survey of Internal Control</p> <ul style="list-style-type: none"> ● The Council's approach to counter fraud and corruption including: <ul style="list-style-type: none"> ○ The Council's Counter-fraud and corruption strategy and response plan ○ Whistle blowing policy ○ The Council's Anti-money laundering policy; and ○ The Council's Anti-bribery and corruption policy 	Operational

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 1 - Behaving with integrity: (Doing the right thing in the right way)

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Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
	We have developed counter fraud training package available for all staff and targeted to those in areas of risk.	Bi-annual update reports are received by Corporate Governance and Audit Committee - Item 9 24th June 2022 and item 51 28th November 2022 . The Head of Audit's annual report and opinion is received by Corporate Governance and Audit Committee - item 37 3rd October 2022 .	Specialist
		PSIAS External Quality Assessment reported to Consultative Meeting of CGAC - Item 4 17th December 2021	Independent

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 2 - Ensuring openness and engagement: (Sharing information and inviting participation)

We will ensure openness and comprehensive stakeholder engagement

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
<p>We are committed to a culture of openness and will be transparent in our decision making</p>	<p>The Council is committed to open government and the pro-active release of the information we hold. The publication scheme is approved by the Information Commissioner.</p> <p>Decision Making: The Principles of Decision Making (Article 13 of the Constitution) include a presumption in favour of openness. The List of Forthcoming Key Decisions gives advance notice of key decisions, providing relevant contact details to enable further engagement. Records of all key and significant operational decisions (SOD) are published, with formal reports to accompany those valued in excess of £100,000. Committee agendas are published five clear days in advance of each meeting, and items within ten working days of the meeting. Report templates require clear reasoning and evidence for recommendations. Exempt and confidential information is considered in accordance with the Access to Information Procedure Rules. Standard items on committee agenda provide for the consideration of exclusion of the press and public in order that the committee can consider confidential or exempt material</p> <p>Council Structures & Decision-Making training is available to all staff via the Performance and Learning system.</p>	<p>Council data and information listings (Publication Scheme) (leeds.gov.uk) Publisher: Leeds City Council - Data Mill North</p> <p>Website List of Forthcoming Key Decisions - Council and democracy (leeds.gov.uk) Delegated Decisions - Council and democracy (leeds.gov.uk) Committee Records - Council and democracy (leeds.gov.uk) Constitution Council and democracy (leeds.gov.uk) Article 13 – Part 2 13 Executive and Decision-Making Procedure Rules – Part 4 b Access to Information Procedure Rules – Part 4 f Treatment of Confidential Information at Committee For example –meeting of the Executive Board item 35-38 5th September 2022</p> <p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements for open and transparent decision making including <ul style="list-style-type: none"> ○ Exempt and Confidential Information ○ LOFKD ○ Publication of Reports ○ Recording of Key and SODs ○ Availability for call in 	Operational

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 2 - Ensuring openness and engagement: (Sharing information and inviting participation)

We will ensure openness and comprehensive stakeholder engagement

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
		Monitoring of urgent decisions provided in regular internal audit update reports to CGAC. Item 8 24th June 2022 Item 36 3rd October 2022 Item 65 6th February 2023 The Decision Making Statement of Internal Control was received by Corporate Governance and Audit Committee Item 9 24th June 2022.	Specialist
We will use appropriate means to consult and engage with service users, local communities and other stakeholders to inform our activity	Arrangements for customer contact and satisfaction include: <ul style="list-style-type: none"> Customer contact policy and procedures Communication systems focussed on a customer centric approach Performance monitoring focussed on customer satisfaction and 'good' customer service A culture of continuous improvement 	The Customer Contact Statement of Internal Control was received by Corporate Governance and Audit Committee Item 81 25th March 2022	Specialist
	Seek to ensure appropriate, proportionate consultation and engagement with stakeholders, citizens and communities. Supported by toolkit, advice & training (on request) Four principles which support the approach to consultation and engagement <ul style="list-style-type: none"> Involve people at the earliest possible stage Make the engagement meaningful and honest Make it easy for everyone to take part Show everyone the impact the engagement has had A range of consultation and engagement approaches are used to provide both quantitative and qualitative feedback in relation to proposals in a way which is proportionate, representative, and meaningful. These include:	Website Consultations and feedback (leeds.gov.uk) Leeds Citizens' panel Equalities assembly (leeds.gov.uk)	Operational
		Survey of Internal Control <ul style="list-style-type: none"> Approach to consultation and engagement including <ul style="list-style-type: none"> access to advice 	Specialist
		Enquiries of Specialists – Chief Officer Policy and Intelligence Corporate Governance and Audit Committee received report on Governance Arrangements for	

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 2 - Ensuring openness and engagement: (Sharing information and inviting participation)

We will ensure openness and comprehensive stakeholder engagement

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
	<ul style="list-style-type: none"> The Leeds Citizens' Panel Consultation and feedback on the Council's website Surveys Discussion <p>A review of digital engagement tools will ensure engagement online as effective as possible, and simpler for citizens to access. Consultation and engagement approach and outcomes are shared with decision makers through the formal report template.</p>	Implementation of Best City Ambition item 11 24th June 2022	
	<p>We have reviewed our Statement of Community Involvement in relation to planning matters, including a public consultation</p>	Consideration of consultation in reports - For example Full Council - item 79 23rd February 2022	Operational
	<p>We are committed to the development of an asset-based community development approach (ABCD)</p>	Internal Audit sample testing of published decisions	Independent
	<p>The Locality Working model operates alongside the Council's Community Committee structure. It uses a place-based approach, with strong political leadership, to tackle poverty, reduce inequality and address vulnerability in some of the poorest neighbourhoods in Leeds</p>	Website Statement of Community Involvement (LDF) (leeds.gov.uk)	Operational
	<p>Public attendance at council meetings: The public can attend or view any formal meetings of the council Additional arrangements for the public to address meetings are in place as follows:</p> <ul style="list-style-type: none"> Deputations to full Council in accordance with the Council Procedure Rules Invitation as a witness to a Scrutiny inquiry in accordance with the Scrutiny Board Procedure Rules Deputations, open forums, advisory or consultative forums of Community Committees in accordance with the Community Committees Procedure Rules 	Executive Board endorsed plan and approach item 27 24th September 2020	
	<p>Public attendance at council meetings: The public can attend or view any formal meetings of the council Additional arrangements for the public to address meetings are in place as follows:</p> <ul style="list-style-type: none"> Deputations to full Council in accordance with the Council Procedure Rules Invitation as a witness to a Scrutiny inquiry in accordance with the Scrutiny Board Procedure Rules Deputations, open forums, advisory or consultative forums of Community Committees in accordance with the Community Committees Procedure Rules 	Executive Board received update report Item 129 16th March 2022	
		<p>Constitution Council and democracy (leeds.gov.uk) Council Procedure Rules – Part 4 a Scrutiny Board Procedure Rules – part 4 c Community Committee Procedure Rules – part 4 d Protocol for Public Speaking at Plans Panels – Part 5 h</p>	Operational
	<p>Committee agenda and items demonstrate application of relevant provisions For example Inner South Community Committee – Item 33 30th November 2022</p>		

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 2 - Ensuring openness and engagement: (Sharing information and inviting participation)

We will ensure openness and comprehensive stakeholder engagement

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
	<ul style="list-style-type: none"> Speaking at Plans Panels in accordance with the Protocol for Public Speaking at the Plans Panels 		
	<p>We have arrangements in place for the receipt and consideration of petitions. Formal decisions in respect of petitions received are taken and published in accordance with the decision-making framework which provides for Member oversight of decision making.</p>	<p>Website Petition the council (leeds.gov.uk)</p>	Operational
	<p>The Budget and Policy Framework Procedure Rules set out clear requirements in respect of stakeholder engagement, publication, and referral to Scrutiny of any framework document to ensure comprehensive consultation and engagement in respect of key policies.</p>	<p>Constitution Council and democracy (leeds.gov.uk) Budget and Policy Framework Procedure Rules - Part 4 e</p>	Operational
	<p>Executive Board and Full Council reports set out consultation details in respect of budget and policy framework matters.</p>	<p>Budget & Policy Framework documents approved by Full Council: Recommendation of Licensing Committee – Licensing Act 2003 Statement of Licensing Policy – Item 67 – 18th January 2023 Youth Justice Plan - Item 68, Safer, Stronger Communities Leeds Plan Item 69 12th January 2022 Best City Ambition – Item 79, Budget – Item 82, - 23rd February 2022</p>	
	<p>We have established a Parish and Town Council Charter setting out how we will work together with local councils in the Leeds City area for the benefit of local people.</p>	<p>Website Parish and Town Council Charter (leeds.gov.uk)</p>	

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 2 - Ensuring openness and engagement: (Sharing information and inviting participation)

We will ensure openness and comprehensive stakeholder engagement

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
We will develop formal and informal partnerships to ensure efficient use of resources and sustainable achievement of outcomes	We have adopted the Boston Matrix to understand current relationships with our partners and / or plan trajectories. The use of the matrix also considers the strategic and operational power of our partners.	The 2021 Key relationships and system leadership of our partnership was discussed and reviewed at an extended BCLT event in June 2023 .	
	Partners: We have established a Partnership toolkit, checklist and register to support proportionate arrangements for governance and risk in respect of partnerships. The checklist focusses on: <ul style="list-style-type: none"> • purpose and outcomes – how we will measure success and when the partnership will end • the partners – who our partners are and how we will work with them • risk and resilience – how the partnership plans to meet risks. 	Survey of Internal Control: <ul style="list-style-type: none"> • Are there any partnerships with external partners in your service area • <i>Name / Number</i> • Have these been included on the directorate partnership register • Has the partnership checklist been applied to each partnership (available on the partnership toolkit (InSite - Partnership management (leeds.gov.uk)) • Are you satisfied that the arrangements in place provide adequate control 	Operational
		The annual assurance report on Corporate Risk and Resilience Arrangement is received by Corporate Governance and Audit Committee. – Note 53 28th November 2022	Specialist
		Enquiries of Specialists – Chief Officer Policy and Intelligence	
	Executive Board receive reports reviewing the work and outcomes of significant partnerships within the city	For example, Executive Board 20/04/22 received Leeds Response to the Ukrainian Crisis - Partnerships across the city to provide the necessary support and 14/12/22 West Yorkshire Mass Transit Vision – formal partnership working.	Operational

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 3 - Defining outcomes: (Having realistic priorities for what we can and should achieve)

We will define outcomes in terms of sustainable economic, social and environmental benefits

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
<p>We will maintain a clear strategic plan which sets out our priorities, and the intended outcomes for the citizens and communities of Leeds now and in the future.</p>	<p>The Joint Strategic Assessment provides a detailed understanding of the citizens and communities in the Leeds area which underpins the Council’s planning and service delivery.</p>	<p>The JSA received by Health and Wellbeing Board item 9 16th September 2021, and Executive Board item 68 20th October 2021</p>	Operational
	<p>In Feb 2022 Council approved the Best City Ambition (BCA) in place of the Best Council Plan. Both corporate plans articulate the council’s ambitions and strategic priorities which are based in the three pillars</p> <ul style="list-style-type: none"> • Health and wellbeing • Inclusive growth • Climate emergency <p>The Best City Ambition is centred on the city’s mission to tackle poverty and inequality in partnership.</p>	<p>Best City Ambition approved by Full Council Item79 23rd February 2022</p>	
	<p>The strategy and policy framework is articulated through a raft of policy and strategy documents which reflect the strategic ambition of the council. An iterative approach will be taken to reviewing this framework, to ensure that they are necessary and appropriate, and that they form a cohesive whole in support of the overarching BCA.</p> <p>Documents comprised in the budget and policy framework are approved by full council, other supporting strategies and policies are approved in accordance with the Leader’s executive arrangements.</p>	<p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements to ensure Service is planned and delivered in line with the Council’s strategic planning framework including in particular: <ul style="list-style-type: none"> ○ The Best City Ambition ○ The Council’s three strategic pillars – Inclusive Growth, Health & Wellbeing, and Climate Emergency ○ Your supporting strategic / service Plan (if relevant) 	Operational
		<p>Examples of supporting plans and strategies approved by Executive during AGS period include: Better Lives Strategy 2022-2027 item 140 20th April 2022</p> <p>Approval of updated Leeds Housing Strategy item 14 22nd June 2022</p> <p>Leeds Safe Roads Vision Zero 2040 Strategy & Action Plan 2022-25 item 49 21st September 2022.</p>	

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 3 - Defining outcomes: (Having realistic priorities for what we can and should achieve)

We will define outcomes in terms of sustainable economic, social and environmental benefits

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
		Report on governance arrangements for implementation of Best City Ambition was received by Corporate Governance and Audit Committee item 11 - 24th June 2022 .	Specialist
We will work to deliver our strategic plan in a way that is economically, socially and environmentally sustainable and demonstrates excellent value for money	Medium Term Financial Strategy (MTFS): The five-year MTFS provides for financial resilience and sustainability. It is updated annually.	The MTFS 2023/24- 2027/28 was received by Executive Board. item 63 19th October 2022	Operational
	The Revenue Budget and Capital Programme are supported by a clear and established set of principles which enable a robust and accountable approach to budget management. The system of financial control includes clear arrangements for budget setting and monitoring, to ensure that the budget reflects the resource envelope available to the Council. BCT: Financial Challenge has been established to deliver targeted savings resulting from a programme of service reviews.	Enquiries of Specialists – Chief Officer Financial Services	Specialist
		Corporate Governance and Audit Committee received Annual Assurance report on arrangements for financial management. item 50 28th November 2022	
	Climate Emergency is one of the three pillars supporting the Council’s strategic plan, with a target of achieving net zero emissions for the city by 2030.	Climate Emergency Annual Report received by Executive Board item 129 20th March 2023	Operational
	Efforts are focussed on both the council’s climate emissions; and wider influence in relation to national policy, and the activity of partners, stakeholders, citizens and communities within the city.	Report on Climate Emergency Governance and Controls received by Corporate Governance and Audit Committee item 129 15th March 2023 .	Specialist
The principles of decision making require <ul style="list-style-type: none"> • Clarity of aims and desired outcomes • Proportionality • Options appraisal The corporate report template provides for the articulation of relevant considerations with particular reference to the three strategic pillars.	Internal Audit sample testing of published decisions	Independent	

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 3 - Defining outcomes: (Having realistic priorities for what we can and should achieve)

We will define outcomes in terms of sustainable economic, social and environmental benefits

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
	<p>The Council is signatory to the Leeds Social Value Charter committing to the consideration of social value in all the council does.</p> <p>Social Value Guidance for Commissioners has been developed, communicated and embedded under the oversight of the Social Value Board. Outcomes are monitored and reported to Corporate Governance and Audit Committee.</p> <p>TOMs monitoring reported to Social Value Board quarterly, and annually to Scrutiny and Audit committee.</p>	<p>Scrutiny Board (Strategy & Resources) supported adoption of the Social Value Guidance item 61 20th January 2020</p> <p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements to ensure social value including Social Value Guidelines for Leeds City Council Commissioners <p>Scrutiny Board Strategy & Resources received Social Value in Procurement Report – item 73 28th March 2022</p> <p>Internal Audit review of Social Value in Procurement</p>	<p>Operational</p> <p>Specialist</p> <p>Independent</p>
<p>We will ensure that our services are appropriate to the different needs of citizens and communities and that we deliver fair access to our services</p>	<p>Equalities:</p> <p>The Council has adopted an Equality and Diversity Policy and four-year Strategic Equality Improvement Priorities in compliance with the Equality Act 2010. The policy and priorities recognise that there are different outcomes for different groups and communities and seek to tackle poverty and reduce inequalities.</p> <p>We use equality, diversity, cohesion and integration impact assessments to identify ensure that our services are fair and accessible</p>	<p>Website</p> <p>Equality and diversity (leeds.gov.uk)</p> <p>Equality improvement priorities (leeds.gov.uk)</p> <p>Equality and diversity impact assessments (leeds.gov.uk)</p> <p>Strategic approach to tackling hate crime including Anti- Muslim Prejudice reported at Exec Board 19 October 2022.</p> <p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements to ensure fair access to services including <ul style="list-style-type: none"> ○ The Council’s Equality and diversity policy ○ Equality, diversity, cohesion and integration impact screening and assessments <p>Equality Improvement Priorities Progress Report 2020-2021 and Equality Improvement Priorities</p>	<p>Operational</p> <p>Operational</p> <p>Specialist</p>

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 3 - Defining outcomes: (Having realistic priorities for what we can and should achieve)

We will define outcomes in terms of sustainable economic, social and environmental benefits

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
		<p>2021-2025 received by Executive Board – item 43 21st July 2021 and progress report received item 51 21st September 2022.</p> <p>Internal Audit reviews (for example):</p> <ul style="list-style-type: none"> • No Recourse to Public Funds • Retirement Wellbeing Checks • SEN Out of Area Placements • DoLS 	Independent

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 4 - Determining effective interventions: (Considering the options and taking informed decisions)

We will determine the interventions necessary to optimise the achievement of the intended outcomes

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
<p>We will ensure that decision makers are provided with relevant, timely information to support decisions which are proportionate, sustainable and realistic to meet identified aims and outcomes.</p>	<p>Decision Making: We have adopted the Principles of Decision Making set out in Article 13 of the Constitution Report templates require clear reasoning and evidence for recommendations, including consultation and engagement, legal, resource and risk implications, and options considered. Committee reports, and those supporting key decisions taken by officers are published five days in advance of decisions being taken.</p>	<p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements to support proportionate, sustainable, and realistic decisions including <ul style="list-style-type: none"> ○ The Principles of Decision Making (set out in Article 13 of the Constitution) ○ Report writing templates and guidance 	
	<p>Category management structure enables input into option appraisals (where warranted), procurement strategy, decision reports and contract management plans. Reassurance is addressed via VfM delivered services and the non-recording of failing or terminated contracts</p>	<p>Corporate Governance and Audit Committee received the Annual Assurance report on Decision Making. item 9 24th June 2022. Review of Protocol for the Roles of Members and Officers in Decision Making received at Executive Board 27th July 2022. Decision making Framework statement of Internal Control within IDS received by Corporate Governance and Audit Committee item 64, 5th February 2023</p>	Specialist
		<p>Internal Audit sample testing of published decisions</p>	Independent
<p>We will ensure that our financial planning, and budgeting processes inform, reflect, and support our decision making.</p>	<p>Medium Term Financial Strategy: The five-year MTFS provides for financial resilience and sustainability. It is updated annually.</p>	<p>The MTFS 2023/24- 2027/28 was received by Executive Board 19/10/22. item 63 Medium-Term Financial Strategy</p>	Operational
	<p>Budget: Budget management and monitoring is undertaken as a continuous process throughout the Council. Clear financial dashboards have been developed and financial advice and</p>	<p>Corporate Governance and Audit Committee received the Annual Assurance report on arrangements for financial management. item 50 28 November 2022</p>	Specialist

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 4 - Determining effective interventions: (Considering the options and taking informed decisions)

We will determine the interventions necessary to optimise the achievement of the intended outcomes

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
	<p>guidance is available from the Financial Service, to assist budget holders in assessing the impact of decisions.</p> <p>The corporate report template requires that financial implications are detailed in respect of proposals.</p>	Internal Audit sample testing of published decisions	Independent
<p>We will consider best value in respect of all strategic objectives through the delivery of service specific outcomes.</p>	<p>The Council has adopted a five-year procurement strategy to support deliver of the strategic plan based on five key areas:</p> <ul style="list-style-type: none"> • Value for money and efficiency • Governance • Social Value and Foundation Living Wage • Commercial Opportunities • Supplier relationships and contract management <p>Arrangements for the procurement of goods and services include requirements for tender evaluation reflecting both price and quality</p> <p>The Social Value guidelines for Leeds City Council commissioners states all high value procurements must consider social value. The council has a contract with the Social Value Portal (SVP) an external service that manages the supply and delivery of the Social Value tool which enables a performance and evidence-based approach to obtain social value offers from bidders, ensuring an open, fair and transparent process is in place.</p> <p>Contract management arrangements are considered during the scoping of the procurement to ensure the Councils requirements are clear, deliverable and manageable. Post award contract management ensures adherence to the service needs and</p>	<p>Website: Procurement Strategy 2019 to 2024 (leeds.gov.uk)</p> <p>Scrutiny Board (Strategy & Resources) supported adoption of the Social Value Guidance item 61 20th January 2020</p> <p>Social Value Fund Proposal report received by Executive Board on 22nd June 2022.</p> <p>Survey of Internal Control</p> <ul style="list-style-type: none"> • The procurement framework, including <ul style="list-style-type: none"> ○ the provisions of the Contracts Procedure Rules ○ Arrangements for Contract Management, including the requirement to have arrangements in place for contract management; and that individuals undertaking contract management roles have appropriate formal training ○ Arrangements for obtaining procurement and commercial advice and guidance <p>Corporate Governance and Audit Committee received the Procurement Assurance report 2022 item 22 29/07/22</p>	<p>Operational</p> <p>Specialist</p>

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 4 - Determining effective interventions: (Considering the options and taking informed decisions)

We will determine the interventions necessary to optimise the achievement of the intended outcomes

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
	<p>delivery of the expected outcomes including the requirement of any future procurement.</p> <p>A suite of tender documents to address all procurement activity namely, goods, works and services are available to undertake appropriate procurement exercises. The tender documents promote engagement with the third sector market and strengthen its relationship with the council, as well as providing opportunities for large private organisations to engage more openly with the Third Sector and SMEs by broadening their supply chain.</p>	<p>Enquiries of Specialists – Head of Procurement and Commercial Service</p>	

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 5 - Managing risk and performance: (Ensuring that we can implement our plans)

We will manage risks and performance through robust internal control and strong public financial management

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
<p>We will integrate robust and effective risk management arrangements into all our activity and decision making to identify, mitigate and manage risks to the achievement of our goals.</p>	<p>The Council is committed to the identification, mitigation and management of risk throughout all levels of council decision making and activity to ensure that the councils strategic objectives can be achieved.</p> <p>Together the risk management strategy and procedures work to identify, mitigate and manage risk at corporate, directorate, service and project level.</p> <p>Arrangements provide for clear ownership of risk, and for the regular monitoring and evaluation of arrangements to ensure that they remain robust and fit for purpose.</p> <p>The corporate report template includes a section to address risk in relation to all decisions taken in committee, and key and significant operational decisions taken by officers.</p> <p>Regular Executive Members briefings include updates on risk in relation to matters within their portfolio.</p> <p>CLT consider corporate risks; and DLTs consider directorate risks through a regular cycle of reporting by Intelligence and Policy Manager</p> <p>Scrutiny Boards have oversight of risk arrangements in relation to matters within their remit.</p>	<p>Website Risk and performance (leeds.gov.uk)</p>	Operational
		<p>The risk management policy and strategy approved by Executive Board – item 39 21st July 2021</p>	
		<p>Survey of internal control</p> <ul style="list-style-type: none"> • The Council’s risk management Policy and approach, including arrangements <ul style="list-style-type: none"> ○ to identify and record new and emerging risks, ○ to develop and review the control assessment for each risk, ○ to report, and where necessary escalate, significant risks and ○ to manage each identified risk. 	
		<p>Annual Corporate Risk Management report received by Executive Board - item 27 27th July 2022.</p>	
		<p>Annual Assurance Report on Corporate Risk and Resilience Arrangements received by Corporate Governance and Audit Committee Note 52 28th November 2022.</p>	Specialist
		<p>Scrutiny Board Strategy & Resources received and considered the Annual corporate risk management report – item 34 26th September 2022</p>	
		<p>Enquiries of Specialists – Chief Officer Policy and Intelligence</p>	

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 5 - Managing risk and performance: (Ensuring that we can implement our plans)

We will manage risks and performance through robust internal control and strong public financial management

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
	Legal and regulatory breach addressed as part of PACS service level risk register, giving assurance in relation to risks arising through delivering services through third parties.	Enquiries of Specialists – Head of Procurement and Commercial Service	Specialist
		Internal Audit sample testing of published decisions	Independent
We will have effective arrangements to plan and monitor our performance in line with our strategic objectives, and to identify and deal with any failure in service delivery.	<p>We have clearly articulated arrangements for performance management at corporate and directorate level. These arrangements seek to provide assurance in relation to the delivery of the Council's strategic plan.</p> <p>Key Performance Indicators underpin reporting of progress to Corporate Leadership Team and to Executive Board and will be reviewed in light of the adoption of the Best City Ambition.</p> <p>Scrutiny Boards have oversight of performance in relation to matters within their remit. They enhance performance through constructive challenge and debate on policies and objectives before, during and after decisions are made. Scrutiny inquiries are targeted to provide robust challenge and meaningful assurance that services are delivered to achieve value for money in terms of the effective, efficient and economic achievement of outcomes.</p>	<p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements to monitor performance including <ul style="list-style-type: none"> ○ arrangements to manage and escalate concerns <p>Examples of performance reports received by Executive during AGS period: Update on Thriving: The Child Poverty Strategy for Leeds item 68, and Annual Update on Migration Activity in Leeds item 74 19th October 2022</p> <p>Enquiries of Specialists – Chief Officer Policy and Intelligence</p> <p>Annual Corporate Performance Management report received by Executive Board – item 28 27th July 2022</p> <p>Corporate Governance and Audit Committee received the Annual Assurance Report on Performance Management Arrangements item 52 28th November 2022</p> <p>Examples of performance reports received by Scrutiny; Scrutiny Board (Adults, Health & Active Lifestyles) item 57 - 17th January 2023</p>	<p>Operational</p> <p>Specialist</p> <p>Independent</p>

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 5 - Managing risk and performance: (Ensuring that we can implement our plans)

We will manage risks and performance through robust internal control and strong public financial management

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type	
		Scrutiny Board (Strategy & Resources) Performance Update – item 10 20th June 2022 ; Performance Report on Culture and An Efficient, Enterprising and Healthy Organisation Item 49 24th January 2022 ; Contact Centre Performance and Improvement Item 60 14th February 2022		
We will have robust arrangements for internal control which are defined and documented, clearly communicated, effectively embedded, meaningfully monitored and regularly reviewed.	A new Contract Management process is being formalised under the e-tendering portal YORtender. Contract Management Plans are owned by Directorates via commissioners/contract managers and report on progress at relevant boards.	Enquiries of Specialists – Head of Procurement and Commercial Service		
	There are clearly articulated arrangements for internal control in respect of identified areas as follows	Survey of Internal Control <ul style="list-style-type: none"> • The Council’s arrangements for Business Continuity Management including <ul style="list-style-type: none"> ○ Business Continuity Plans developed for the service ○ Arrangements for monitoring, testing and review of business continuity plans. Corporate Governance and Audit Committee receive annual assurance reports:	Operational	
	Procurement; Decision making			Item 22 29th July 2022
	Treasury Management			Item 9 24th June 2022
	Planning decision making and enforcement arrangements			Item 34 03rd October 2022
	Procurement statement			Item 22 29th July 2022
	Corporate Risk and Resilience Arrangements			Item 53 28th November 2022
	Business continuity			Item 53 28th November, 2022 Annual Report - Corporate Risk and Resilience Arrangements.
	Corporate Performance management			Item 52 28th November 2022
	Integrated Digital Service Controls			Item 64 6th February 2023
Employment policies and procedures and employee conduct	Item 67 6th February 2023	Specialist		

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 5 - Managing risk and performance: (Ensuring that we can implement our plans)

We will manage risks and performance through robust internal control and strong public financial management

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
	Customer contact and satisfaction	Item 81 25th March 2022	
	Our system of internal control for Information Management and Governance provides a framework for the processing of information in line with relevant legislation. Arrangements include in particular: <ul style="list-style-type: none"> • creation, storage and disposal of information • information security • information access • information sharing • reporting and managing data breaches 	Website Privacy and data (leeds.gov.uk)	Operational
		Survey of Internal Control <ul style="list-style-type: none"> • The Council’s arrangements for information governance including: <ul style="list-style-type: none"> ○ Arrangements for records management and storage in accordance with document retention schedules ○ Requirement to complete the information governance e-learning in accordance with corporate timescales ○ Requirement to hold and transmit personal, confidential and sensitive information securely ○ Requirement to report data breaches ○ Requirements for Data Protection Impact Assessments and the mitigation of identified risks. 	
		Corporate Governance and Audit Committee received the Annual Information Governance Report including the Annual Report of the Caldicott Guardian item 63 06th February 2023	
Enquiries of Specialists – Data protection Officer			
Financial Management controls are integrated throughout our arrangements, including financial planning and budget	Survey of Internal Control <ul style="list-style-type: none"> • The Council’s arrangements for financial management and control including: 	Operational	

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 5 - Managing risk and performance: (Ensuring that we can implement our plans)

We will manage risks and performance through robust internal control and strong public financial management

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
	preparation and setting; in year budget management and monitoring; and closure of accounts and year-end reporting.	<ul style="list-style-type: none"> ○ Financial Regulations ○ Arrangements for budget setting and monitoring ○ Arrangements for obtaining financial advice and guidance 	
		Corporate Governance and Audit Committee received the Annual Assurance Report on Financial Management item 50 28th November 2022	Specialist
		Internal Audit review of Invest to Save fund Internal Audit review of Strategic Investment Fund Acquisitions Internal Audit review of FMS Creditor Processes Internal Audit review of Purchasing Cards Internal Audit review of CIS Payments	Independent

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 6 - Developing Capacity: (Getting the best out of our resources and our people)

We will develop the Council’s capacity, including the capability of its leadership and the individuals within it.

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
<p>We will continually review how we use our assets and information to achieve outcomes efficiently and effectively.</p>	<p>Clear procedures underpin the receipt of Compliments and the investigation of complaints to inform the continuous improvement of the council and the way in which services are delivered.</p>	<p>Complaints, compliments and feedback - let us know (leeds.gov.uk)</p>	Operational
	<p>Estate Management Strategy: The Four-year estate management strategy sets out the way in which the Council will strategically plan and manage its land and property assets across the city to ensure that it fulfils all of its priorities and to enable the people, the city and its businesses to thrive. The document sets out the vision, priorities and objectives helping us deliver a modern, efficient, sustainable estate and workplaces that remain fit for purpose as the world adapts to new ways – and places – of working. A live implementation plan is maintained by Strategic Asset Management.</p>	<p>Corporate Governance and Audit Committee received assurance report in relation to customer contact and satisfaction Item -25th March 2022.</p>	Specialist
		<p>The Estate Management Strategy approved by Executive Board Item 78 17th November 2021</p> <p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements for governance in respect of Council land and buildings including <ul style="list-style-type: none"> ○ obtaining advice and guidance, and ○ arrangements for liaison with Chief Asset Management and Regeneration Officer in respect of decisions relating to use of the Council’s land and buildings. 	Operational
		<p>Corporate Governance and Audit Committee received an assurance report in relation to estate management. Item 78 – 20th March 2023</p>	Specialist
		<p>Internal Audit sample testing of published decisions Internal Audit review of Strategic Investment Fund Acquisitions</p>	Independent
	<p>Our digital capabilities play a central role in maximising the use of tools and technology to improve and transform the way the council works, provides services and engages with citizens We take a strategic approach to the collection and use of data to support our decisions, assess performance and drive improvement and have established the Office of Data Analytics.</p>	<p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements for governance of integrated digital services including <ul style="list-style-type: none"> ○ obtaining advice and guidance, and ○ arrangements for liaison with Chief Digital and Information Officer in 	Operational

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 6 - Developing Capacity: (Getting the best out of our resources and our people)

We will develop the Council’s capacity, including the capability of its leadership and the individuals within it.

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
		respect of decisions relating to use of digital technology.	
		Executive Board, 19 October 2022 - Leeds City Digital Strategy - Digital innovation programme and Core Business Transformation (CBT) across the council.	Specialist
		Scrutiny Board Strategy & Resources Inquiry – Integrated Digital Services – Vision and Plans	Independent
		Internal Audit sample testing of published decisions	
We will develop, maintain and implement arrangements which support and develop the capacity of Members and Officers.	<p>Officers: Our People Strategy sets out our ambition to be the best place to work, through exceptional employee experience, talented managers and leaders, and a culture underpinned by fairness, diversity and collaboration. Our people Strategy is supported by key offers including</p> <ul style="list-style-type: none"> • Values & behaviours • Leadership and management <p>The Strategy also includes a focus on keeping our staff safe whilst building in flexibility across the workforce. We have developed a range of staff and manager facing communication tools and techniques including:</p> <ul style="list-style-type: none"> • regular focussed meetings of BCLT, and extended BCLT • Written communications including weekly bulletins, BCLT notes, Tom’s weekly message 	Website: The best place to work – our people strategy 2020 to 2025 (leeds.gov.uk)	Operational
		<p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements for management of staff including: <ul style="list-style-type: none"> ○ Welfare of employees ○ Induction, training, and development ○ Supervision, attendance, discipline ○ Appraisals and 1-2-1s ○ Access to the equipment necessary to fulfil their roles effectively ○ Arrangements for obtaining advice and guidance in relation to Human Resources. 	Operational
		Council approved the Pay Policy Statement Item 80 23rd February 2022 .	Operational

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 6 - Developing Capacity: (Getting the best out of our resources and our people)

We will develop the Council’s capacity, including the capability of its leadership and the individuals within it.

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
	<p>We have a broad range of arrangements to promote the health safety and wellbeing of employees including but not limited to:</p> <ul style="list-style-type: none"> • Accidents and incidents at work • Employee advice, information, and counselling • Financial wellbeing • Mental health • Occupational health; and • Safeguarding <p>Regular pulse surveys continue to enable communication and inform decision making.</p>	<p>Corporate Governance and Audit Committee received the annual assurance report in relation to employment policies and procedures and employee conduct Item 67 - 6th February 2023.</p>	Specialist
		<p>Health, Safety and Wellbeing Performance and Assurance Report Received by Executive Board item 55 21st September 2022</p>	Specialist
	<p>Members: The Member Induction Programme is provided following each local election. In addition a Training and Development Programme is developed in consultation with Members. The calendar of training is available to all Members, and remains agile to deal with emerging needs.</p>	<p>Enquiries of specialists – Head of Democratic Services</p>	Specialist
	<p>The Members Allowances Scheme is considered by the Independent Remuneration Panel and approved by Full Council. The scheme is subject to an annual uplift in line with the negotiated headline NJC pay award. The Scheme has been reviewed by the IRP and will be submitted to Council for approval.</p>	<p>Council received adopted the Members Allowances Scheme item 69 Report of the Independent Remuneration Panel 18/01/23 The City Solicitor applies the uplift under delegated authority last decision taken 18th January 2023</p>	Operational
	<p>We are working towards a standardised, robust, and sustainable managed digital offer that meets Member’s workstyle requirements, in line with the digital workplace. The offer will meet accessibility needs, be subject to clear training and standardised support, and support the ambition of members going paper-free.</p>	<p>Member Management Committee received a report on the DIS Offer for Elected members Item 7 16th July 2021</p>	Operational

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 6 - Developing Capacity: (Getting the best out of our resources and our people)

We will develop the Council’s capacity, including the capability of its leadership and the individuals within it.

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
<p>We will ensure that leadership roles are clear and defined and that relationships between elected Members and officers work effectively to set and implement our strategic goals.</p>	<p>The Council operates executive arrangements on the strong leader and cabinet model.</p> <p>Roles and responsibilities are clearly defined through the constitution including provision in relation to:</p> <ul style="list-style-type: none"> • Responsibility for functions • Procedure rules • Codes and protocols provide further guidance in respect of member and Officer roles and responsibilities <p>Each Director maintains a sub-delegation scheme making clear provision for the discharge of functions within their remit, although each retains accountability for functions delegated to them through the Officer Delegation Scheme.</p> <p>There are clear leadership arrangements in place, enabling leaders and managers across the council to engage and share knowledge and experience to inform decision making and cascade information:</p> <ul style="list-style-type: none"> • Corporate Leadership Team (Directors) • Directorate Leadership Teams (Directors and their direct reports within directorates) • Best Council Leadership Team (Directors and their direct reports across the council) • Extended BCLT (All JNC grade officers across the council) • Cross cutting boards (E.g., BCT: Financial Challenge) 	<p>Constitution Council and democracy (leeds.gov.uk)</p> <p>Members of the Council – Article 2</p> <p>Chairing the Council – Article 5</p> <p>The Executive - Article 7</p> <p>Officers – Article 12</p> <p>Review and Revision of the Constitution - Article 15</p> <p>Responsibility for Functions - Part 3</p> <p style="padding-left: 20px;">Local Choice functions – Section 1</p> <p style="padding-left: 20px;">Council Functions – Section 2</p> <p style="padding-left: 20px;">Executive Functions - Section 3</p> <p>Executive and Decision-Making Procedure Rules – Part 4 b</p> <p>Officer Employment Procedure Rules – Part 4 j</p> <p>Protocol for Member / Officer Relations – Part 5 c</p> <p>Protocol for the Roles of Members and Officers in Decision Making – Part 5 d</p> <hr/> <p>Website</p> <p>Sub delegation schemes Council and democracy (leeds.gov.uk)</p> <hr/> <p>The Leader’s executive arrangements were reported to Full Council Item 16 26th May 2022</p>	<p>Operational</p>

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 6 - Developing Capacity: (Getting the best out of our resources and our people)

We will develop the Council’s capacity, including the capability of its leadership and the individuals within it.

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance Type
	<ul style="list-style-type: none"> • Service boards (E.g. • Project and programme boards (E.g., Core Business Transformation Board) <p>A review of these internal governance arrangements will be undertaken as the council implements the new organisational plan.</p>	<p>Survey of Internal Control</p> <ul style="list-style-type: none"> • Arrangements for delegated decision making including: • The Protocol on member Officer Relations and Protocol for the Role of Members and Officers in Decision Making • Officer delegation scheme and the Director’s Sub-delegation Scheme • Internal governance arrangements within the directorate (boards, panels & other forum that control and influence service delivery although not formal decision-making bodies) • Arrangements for briefing / consulting relevant elected Members (ward Members, portfolio holders etc.) as necessary and appropriate and • arrangements for the referral of appropriate matters to Executive Board 	Operational
		<p>Corporate Governance and Audit Committee received report on Governance Arrangements for Implementation of Best City Ambition item 10 24th June 2022</p>	Specialist

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 7 - Effective accountability: (Ensuring our processes are clear, robust, and open to review)

We will implement good practices in transparency, reporting and audit, to deliver effective accountability.

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
We will provide clear, accessible, and timely information so that we can be held to account for the decisions we take and for our performance.	Approach to open and transparent decision making detailed at Principle 2 above. Publication of agendas and items of meetings, and reports and delegated decision notices in respect of officer decisions ensure decisions are available for consideration and challenge. Call in arrangements permit the consideration of executive decisions which have been made but not yet implemented by Scrutiny Boards	Elective Care Hubs proposals and draft response considered by Scrutiny Board (Adults, Health and Active lifestyles) item 23 20th September 2022	Operational
		The Corporate Governance and Audit Committee receive an update on Urgent Decisions taken by the Council as part of the Internal Audit update reports. Item 36 3rd October 2022	Specialist
	Performance of Committees Council Committees will be held to account for the discharge of the matters within their remit		Operational
	Community Committees	Item 55 16th November 2022	
	Plans Panels and Development Plan Panel;	Item 54; 16th November 2022	
	Corporate Governance and Audit Committee	Item 12 24th June 2022	
	Climate Emergency Advisory Committee	Item 22 20th March 2023	
	Licensing Committee	Item 92 23rd March 2022	
	Standards and Conduct Committee	Item 93 23rd March 2022	
	The Council's accounts are prepared and published in accordance with legislative requirements and proper practice, including the period of public inspection prior to finalisation. Comments and questions arising during period of public inspection are reported to Corporate Governance and Audit Committee	Corporate Governance and Audit Committee <ul style="list-style-type: none"> • Approve interim annual governance statement and publication drafts of the accounts Items 24 29th July 2022 • approve the final annual governance statement Item 38 03rd October 2022 • approve the audited accounts. Item 66 6th February 2023 	Operational
Scrutiny: Our scrutiny and oversight arrangements are set out in Article 6 and the Scrutiny Board Procedure Rules in the Constitution.	Survey of Internal Control <ul style="list-style-type: none"> • Service included in work undertaken by Scrutiny Board • If yes give details of the Scrutiny 	Operational	

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 7 - Effective accountability: (Ensuring our processes are clear, robust, and open to review)

We will implement good practices in transparency, reporting and audit, to deliver effective accountability.

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
	The Vision for Scrutiny, contained within Article 6 sets out the “Four Principles of Good Scrutiny” and recognises the seven conditions necessary to succeed in the vision.	<ul style="list-style-type: none"> If yes, have recommendations arising from the work been / are being implemented in accordance with identified timescales under an established action plan. 	
		Enquiries of Specialists – Head of Democratic Services as Proper Officer for Scrutiny	Specialist
		Council Received the Annual Report of the Scrutiny Boards – Item 28 20th July 2022	Operational
We will have effective arrangements to provide independent assurance in respect of our governance arrangements	The Local Code of Governance reflects the Delivering Good Governance in Local Government Framework CIPFA 2016. The governance framework and assurance map recognises the range of assurance sources available. Independent Assurance is available from the Internal Audit Service which provides a professional and independent service in conformity with PSIAS and LGAN to deliver a risk-based audit plan, supplemented by additional audit activity providing independent assurance in respect of all systems of internal control.	<p>Survey of Internal Control</p> <ul style="list-style-type: none"> Service received an internal audit review If yes give details of the review If yes, have recommendations arising from the review been / are being implemented in accordance with identified timescales under an established action plan. 	Operational
		Corporate Governance and Audit Committee received internal audit update reports item 8 24th June 2022 , item 36 3rd October 2022 , item 65 3rd February 2023	
		Corporate Governance and Audit Committee received the Annual Opinion of the Head of Internal Audit. Item 37 3rd October 2022	Independent
		Corporate Governance and Audit Committee received PSIAS External Quality Assessment Item 4 17th December 2021	Independent
We will welcome peer challenges, reviews and inspections from regulatory bodies, and will	The Protocol for the Co-ordination of External Inspection Reports provides for the publication of external inspection reports, and for the review and monitoring of action plans arising from them.	<p>Constitution Council and democracy (leeds.gov.uk) Protocol for the Co-ordination of External Audit and Inspection Reports – Part 5 f Website – external audit and inspection reports</p>	Operational

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 7 - Effective accountability: (Ensuring our processes are clear, robust, and open to review)

We will implement good practices in transparency, reporting and audit, to deliver effective accountability.

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
implement action plans which arise from them	Executive Board, Scrutiny Boards and Corporate Governance and Audit Committee may receive reports and action plans in accordance with their terms of reference	Council and democracy (leeds.gov.uk) Survey of Internal Control <ul style="list-style-type: none"> • Service received an external review (from External Audit, the Health, and Safety Executive (HSE), Ofsted, the Information Commissioners Office (ICO), Care Quality Commission (CQC), Peer Reviews or other body) • If yes give details of the review • If yes, have recommendations arising from the review been / are being implemented in accordance with identified timescales under an established action plan. 	
	The External Auditors are routinely represented at Corporate Governance and Audit Committee, providing regular updates in addition to formal reporting requirements.	External Auditors presented Corporate Governance and Audit Committee with Annual Report and VfM Report 2020/21 Item 35 3rd October 2022 Audit Plan 2021/22, item 39 3rd October 2022 Audit Risk Assessment Enquiries 2021/22, item 40 3rd October 2022 Audit Report item 66 6th February 2023 Final Report and ICT Report, item 79 20th March 2023	Independent
	The Council received a Local Government Association Peer Challenge during 22-23.	The Executive Board received an Action Plan following this review. Item 111 8th February 2023	
	Ombudsman	Executive Board receives reports in relation to findings of maladministration.	Operational / Independent

LEEDS CITY COUNCIL CORPORATE GOVERNANCE FRAMEWORK

Principle 7 - Effective accountability: (Ensuring our processes are clear, robust, and open to review)

We will implement good practices in transparency, reporting and audit, to deliver effective accountability.

Our Commitment	The Governance Framework (What we do)	The Assurance Map (How we know it works)	Assurance type
	<p>Appropriate arrangements, principally administered centrally by the corporate complaints team, in place to capture, record and monitor Ombudsman Complaints regardless of whether a finding of maladministration leading to injustice is found.</p> <p>The Monitoring Officer also reserves the right to make a report of unlawfulness to Full Council although in actuality that has not been necessary.</p> <p>In addition, CLT and strong bi-partisan relationships between the Monitoring Officer, Head of Paid Service, the S.151 Officer and Directors provide stream-lined mechanisms for the sharing of relevant information relating to Ombudsman complaints.</p> <p>Work is currently taking place to enhance formal corporate oversight of Ombudsman complaints by CLT.</p>	<p>The Ombudsman Public Report received at Executive Board item 44, 21st September 2022</p> <p>If necessary, Council receives reports of Monitoring Officer in relation to findings of maladministration None received during reporting period</p> <p>Enquiries of Specialists - City Solicitor</p>	<p>Specialist</p>

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INTERIM ANNUAL GOVERNANCE STATEMENT 2023

Approved by
Chief Officer (Financial Services)
July 2023

1 - INTRODUCTION AND ASSURANCE STATEMENT

- 1) Leeds City Council is obliged¹ to ensure it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.
- 2) We have conducted a review of the effectiveness of our system of internal control². The review reflects formal reporting to council and executive committees, and enquiries made of officers with relevant knowledge, experience, and expertise. The review has been undertaken in consultation with the council's Head of Paid Service, Monitoring Officer, and Chief Finance Officer.
- 3) We confirm, to the best of our knowledge and belief, and there having been appropriate enquiries made, that this Annual Governance Statement provides an accurate and fair view.
- 4) We are satisfied that in the period from April 2022, our framework of internal control has continued in place at the council for the year ended 31 March 2023 and up to the date of approval of this Interim Annual Governance Statement. We have concluded that, overall, key systems are operating soundly, and that there are no fundamental control weaknesses³. We are satisfied that where improvements have been identified, actions are in place with appropriate arrangements to monitor them.

Victoria Bradshaw		
Chief Officer Financial Services & Section 151 Officer		

¹ Regulation 3 of the Accounts and Audit Regulations 2015

² Undertaken in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, and proper practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016)

³ Whilst supporting the council's arrangements for risk management, the governance framework cannot eliminate all risk to the achievement of policies, aims and objectives and we note that this review can therefore only provide reasonable and not absolute assurance of effectiveness. Similarly, this review provides assurance that we have in place appropriate processes to ensure transparency and democratic oversight in decision making but does not necessarily mean agreeing with all decisions made.

Local Code of Corporate Governance

- 5) Our governance arrangements seek to ensure that our resources are used to achieve defined outcomes for the citizens and communities in the Leeds area.
- 6) Our local Code of Corporate Governance is framed around seven principles.

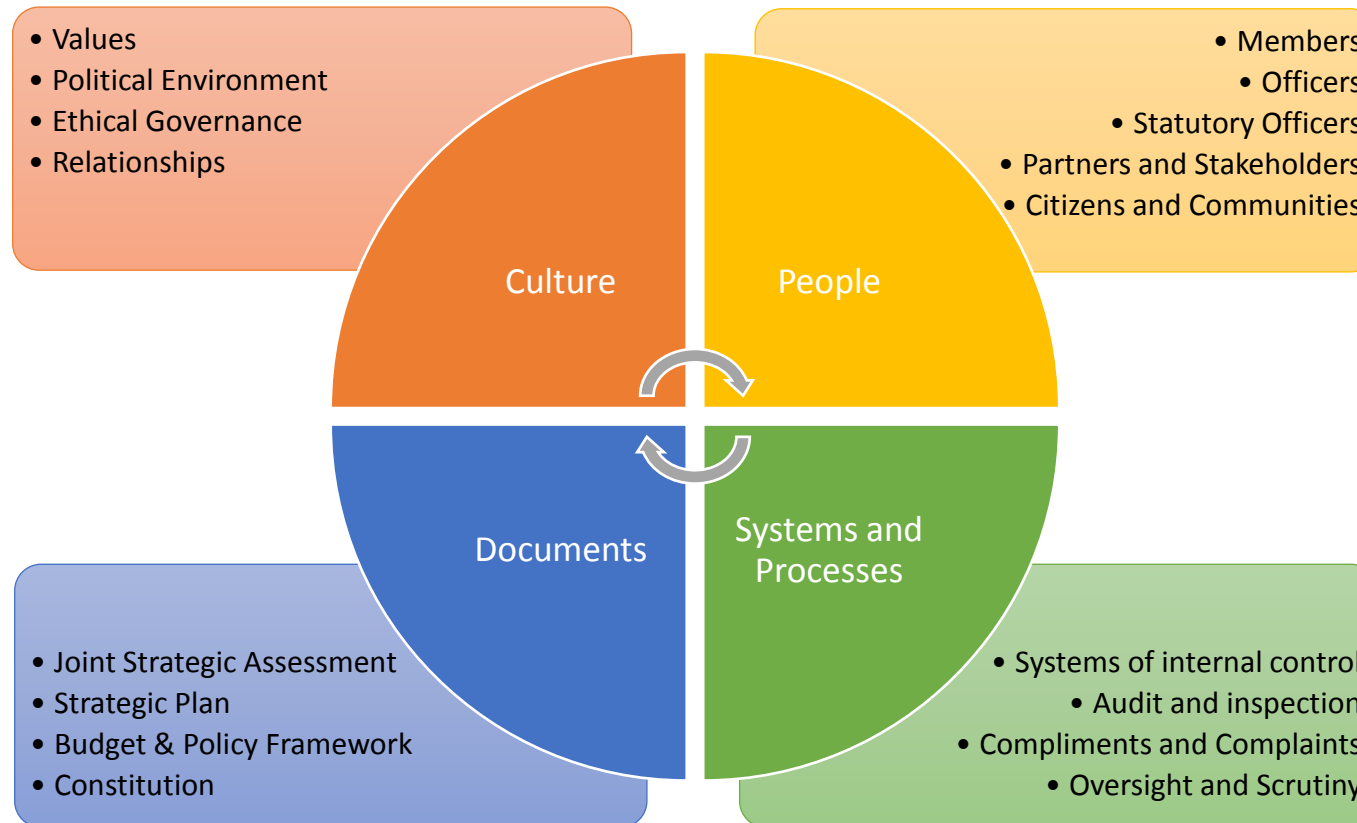


- 7) These governance principles are supported by commitments which enable us to direct and control our activity to achieve our Best City Ambition: Tackling Poverty and Inequality. They bring together the systems, processes, and values and behaviours in place across the council by which we plan and deliver services to the citizens of Leeds in a way that shows how the council:
 - Does the right things in the right way.
 - Is open, and transparent about what it does and how and why it does it.
 - Engages with citizens, partners, and stakeholders to plan and deliver outcomes; and
 - Is held to account.

2 - OUR GOVERNANCE FRAMEWORK

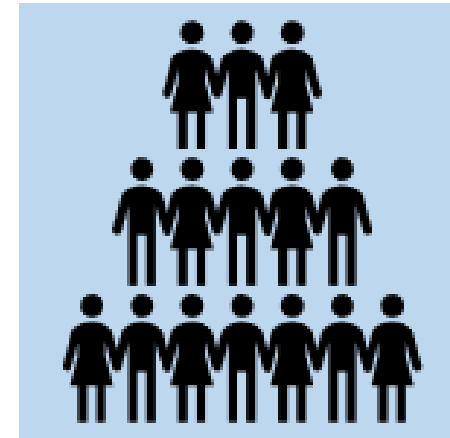
8) We have in place a variety of arrangements through which we give effect to our Code of Corporate Governance. These governance arrangements are a combination of the culture, people, documents, and systems and processes which together direct and control the council's activities, as demonstrated at Figure 1 below.

Figure 1 Governance Arrangements



People

- 9) Our organisational plan “Being Our Best”, approved by Executive Board in June 2023, is designed for all managers (more than 2000 across the council) to support their staff to be their best. The plan, which focuses on our values and refreshed behaviours, sets out four expectations of all appraising managers and our five interdependent change priorities, together with a guide to the resources available to managers to deliver against these. This is channelled through the communication and engagement framework.
- 10) Our People Strategy 2020-25 sets out our commitment to best leadership and management and to best employee experience. Working through application of our Values this strategy underpins our approach to recruitment, work life, development, progression, and exit. We use our regular staff surveys to monitor this.
- 11) Officer remit and accountability is clearly structured, communicated and monitored through delegation and sub-delegation arrangements, appraisal objectives and regular supervision.
- 12) Statutory officers are designated (as set out in Article 12 of our Constitution), and there are protocols in place in our Constitution to ensure that statutory requirements are complied with, and the Monitoring Officer and Chief Finance (S151) Officer are afforded the resources, access and opportunities required to fulfil their roles.
- 13) We have well established arrangements for information management and governance overseen by the Senior Information Risk Owner (SIRO), Data Protection Officer (DPO) and Caldicott Guardian.
- 14) In addition, where no other officer is appointed, each Director is appointed as Proper Officer for matters within their remit in accordance with the Functions of Full Council set out in the Constitution.
- 15) We have appointed a Freedom to Speak Up Guardian encouraging people to speak up with any concerns around working practices.
- 16) Our relationship with partners, stakeholders and citizens is characterised by our values which embrace openness, engagement, transparency, and accountability.
- 17) The council’s services are accessible through face to face, telephone, and digital channels. The council’s values are routinely demonstrated in our interactions with customers; who receive a high quality, efficient and effective service when they contact us; and there are robust processes in place to receive and act upon customer feedback.
- 18) We are focussed on the needs of our communities, and use a variety of methods, including our Citizen’s Panel to communicate and engage with our citizens and communities, to plan and deliver the right services in the right ways to achieve value for money.
- 19) As outlined in the Team Leeds approach and our values, we have a well-developed culture of partnership working in collaboration with public, private and third sector organisations across the city, and at regional and national level.



Systems & Processes

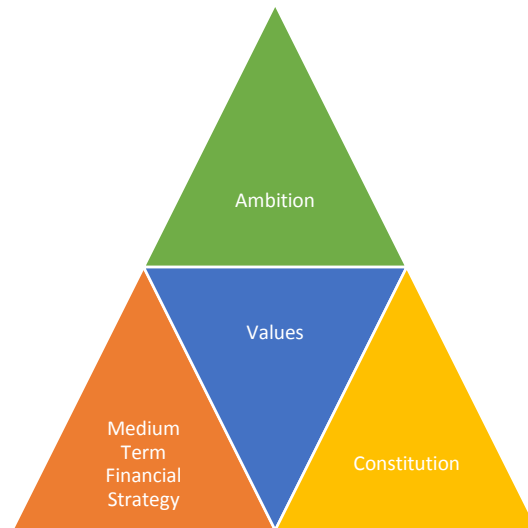
- 20) We operate a leader and cabinet governance model. Arrangements for delegation of council functions to committees and officers are set out alongside the Leader's executive arrangements in the Constitution to ensure clear arrangements for open, transparent, and accountable decision making.
- 21) Decision making, financial arrangements and procurement activity are bound by clear rules of procedure which focus our resources to the achievement of our strategic outcomes and are rooted in legal compliance.
- 22) Budget management and monitoring is a continuous risk-based process which operates at a number of levels throughout the council. Directors have responsibility for delivering directorate budgets whilst named accountable budget holders, supported by finance officers, manage, monitor, and forecast income and expenditure against budgets. All Directorates have contingency plans in place to help to manage unforeseen variations against the budget.
- 23) Our arrangements for treasury management comply with The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the Prudential Code.
- 24) We monitor progress against our strategic ambitions through a series of Key Performance Indicators (KPIs), with supporting performance monitoring taking place at Directorate level to identify any weakness in performance in order that appropriate effective action can be taken to bring performance in line with targets.



25) We have established arrangements for risk and resilience which work to identify, mitigate, and manage risk at corporate, directorate, service, and project level. We recognise that whilst risk management supports the delivery of our strategic ambitions, this framework cannot eliminate all risk to the achievement of policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. We have established arrangements for overview and scrutiny and have appointed five scrutiny boards with remits defined in Article 6.

26) Our activity is outcome focussed, and systems and processes are reviewed regularly to ensure that they are up to date and fit for purpose to deliver our strategic outcomes for citizens and communities in Leeds.

Documents



27) Our Joint Strategic Assessment (JSA) was updated in 2021 as part of a three yearly cycle, providing a detailed understanding of the citizens and communities in the Leeds area, and the challenges and opportunities as we emerge from the Covid-19 pandemic. This understanding is then used to underpin our strategic framework.

28) Our Best City Ambition, adopted in February 2022, highlights the city's mission to tackle poverty and inequality, and sets out the three pillars approach which flows through the city and council's wider strategic framework including through the Health and Wellbeing Strategy, Inclusive Growth Strategy and enhanced Climate Action Plan which draws together relevant cross cutting priorities and objectives.

29) The Team Leeds approach set out in the Best City Ambition provides an important set of principles for partnership working, informed by engagement with partners and delivered by many across the city. It defines some important characteristics of a Team Leeds way of working – including being evidence-led, working with strengths and asset-based models, and adopting co-production and co-design with the citizen as standard. The approach includes useful check and challenge to

ensure we are applying it consistently and going further where we can.

30) We recognise that the council's role in leading the Best City Ambition can only be delivered through a sound understanding of the organisation's longer term financial sustainability, enabling decisions to be made that balance the resource implications of the council's policies against financial constraints.

31) Through the adoption of budget principles in respect of capital and revenue budgets, we have ensured a robust and accountable approach to budget management, closely aligned to the principles of CIPFA's Financial Management Code (2019).

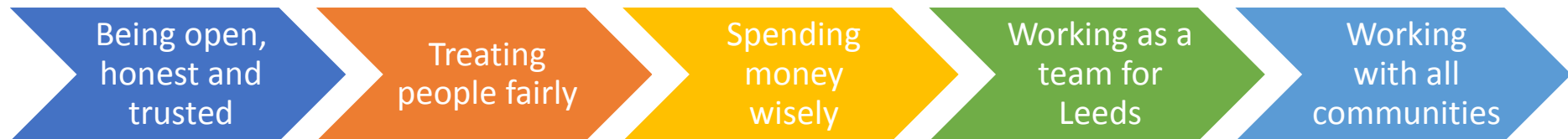
32) We recognise that the current and future financial climate present a significant risk to the council's priorities and ambitions, and that the council's financial position must be robust, resilient, and sustainable with a sufficient level of reserves available to deal with any future unforeseen circumstances. Our five-year Medium Term Financial Strategy, which is updated annually, is supported by our financial management systems, and underpins our sustainable approach.

33) Our budget is set annually and monitored regularly to ensure delivery of our strategic objectives.

34) Our Constitution, which is reviewed annually, is published in the library on our website.

Culture

35) Our culture is framed by our five values.



- 36) Our values are articulated, communicated, and embedded through defined behaviours. These behaviours are evidenced through our relationships within the council; with our partners and stakeholders; and with citizens and communities.
- 37) We have Codes of Conduct for Members and officers which, together with several supporting protocols, set out clear expectations of behaviour. There are clear arrangements in place for both Members and officers to make declarations of interests and of gifts and hospitality.
- 38) Our ethical governance arrangements are supported by a robust suite of counter fraud and corruption arrangements, including a whistle blowing policy under which anyone, including members of the public can report concerns.
- 39) We have a culture of continual improvement, celebrating our achievements but being ever mindful of the risk of complacency and as a result we continually review the arrangements in place to identify opportunities for growth, development, and improvement, whilst balancing these with the need to make proportionate use of our resources.
- 40) We recognise the need for continual growth and development of both Members and officers and we have clear arrangements in place to access training and development opportunities appropriate to the role and aspirations of individuals.
- 41) We recognise the unique nature of the political environment in local government and expect and encourage a relationship of mutual trust and respect between all Members and officers as set out in the Protocol on Member/Officer Relations.
- 42) Our political environment is characterised by an approach of cross-party engagement through which we ensure that all our decisions are subject to rigorous oversight and robust challenge, for example including an Opposition Member on Executive Board to provide meaningful challenge to Executive decision making.
- 43) Our scrutiny function is delivered in line with the seven conditions for success identified in our Vision for Scrutiny at Leeds, set out in Article 6 of our Constitution. Scrutiny Board Chairs are drawn from both administration and opposition political groups.
- 44) Clear and embedded arrangements for the publication of key decisions enable effective democratic oversight of decisions taken by officers.
- 45) Regular performance reporting in relation to key strategies ensures effective accountability of those in operational control.

3 - HOW WE HAVE REVIEWED OUR GOVERNANCE FRAMEWORK

Assurance approach

- 46) We have used the three lines of assurance model (set out at Figure 2 below) to provide substantial assurance that our governance framework is operating soundly with no fundamental weaknesses. We are considering the assurance received to identify opportunities for improvement which we will capture in an action plan which will be set out in part 5 of the final iteration of this Statement.
- 47) Whilst our governance framework cannot eliminate all risk to the achievement of policies, aims and objectives, our review provides reasonable assurance of the effectiveness of our arrangements.

First line of assurance - operational and managerial oversight



- 48) We seek confirmation from those with operational and managerial responsibility that our system of internal control is effectively embedded.
- 49) Our Survey of Internal Control invited 129 officers with managerial responsibility at tier 3 and above and received a response rate of 93%. The survey focussed on our seven Corporate Governance principles and was designed to identify the extent to which managers believe staff in their service have relevant knowledge and skills and comply with those controls appropriately and proportionately to their individual roles and responsibilities. Survey respondents were invited to comment on arrangements which were working well and to identify any actual and/or perceived weakness, as well as suggesting opportunities for improvement.
- 50) Quantitative and qualitative analysis of survey responses has been completed provides assurance that from an operational perspective, governance arrangements appear to be embedded and effective. Where opportunities for further improvement have been identified these have been referred to the owner of specialist oversight in relation to the relevant system of internal control for further consideration.

Second line of assurance - specialist oversight and compliance

- 51) Those with specialist oversight and compliance responsibility provide assurance that arrangements are up to date, fit for purpose, embedded, and routinely complied with.
- 52) We have developed the Cycle of Internal Control (described in Figure 3 below) which underpins each of our systems of internal control and recognises that arrangements should be defined and documented; clearly communicated, effectively embedded; meaningfully monitored; and reviewed and refined. Throughout this cycle we seek to ensure that risks are identified, assessed, and appropriately managed.
- 53) The second line of assurance is developed through the formal reporting of control arrangements to council and executive committees and supported by additional enquiries made to officers with specialist oversight, knowledge and responsibility.

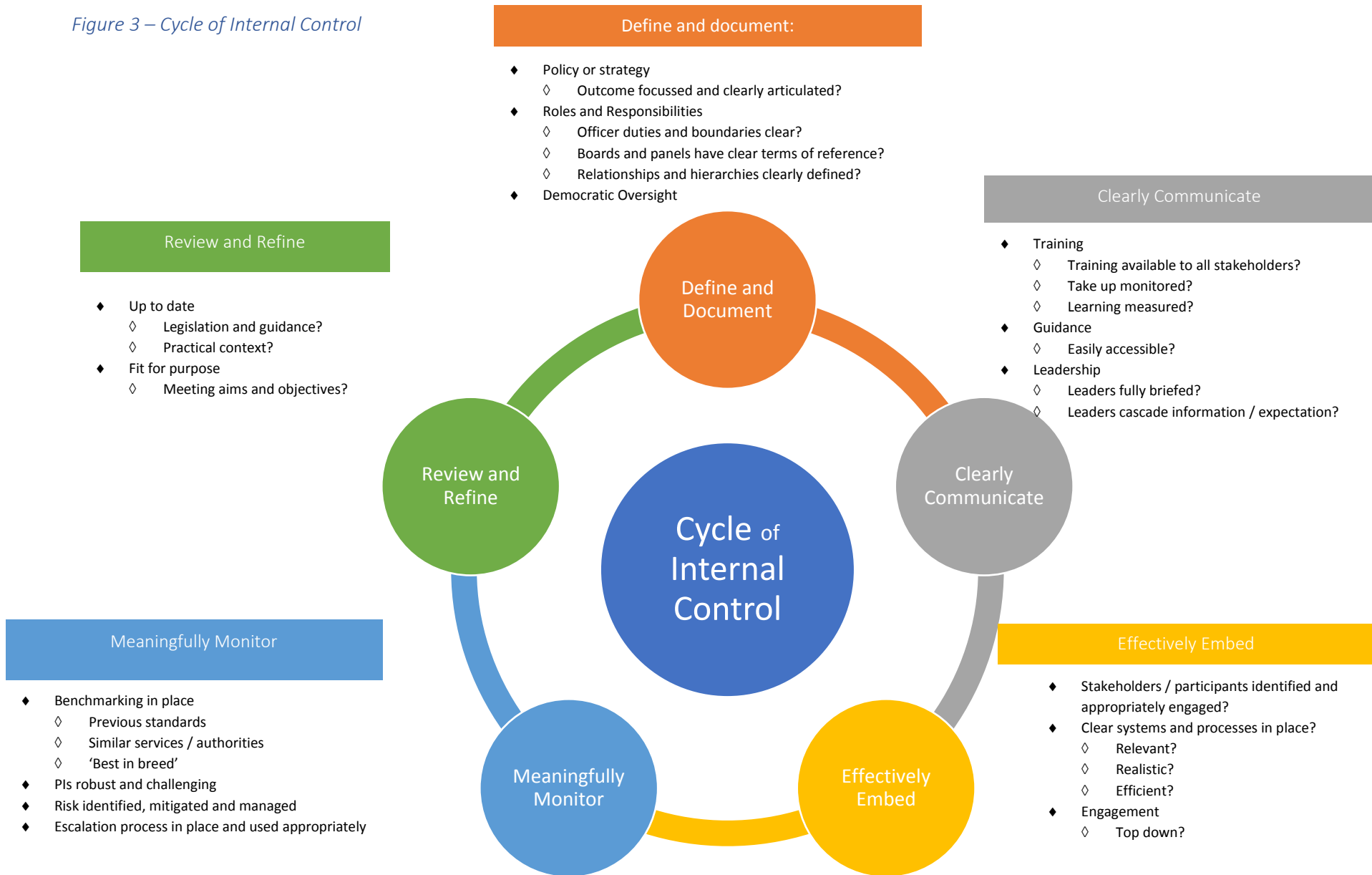
3 - HOW WE HAVE REVIEWED OUR GOVERNANCE FRAMEWORK

Figure 2 - Assurance Map

Bodies charged with governance:		1 st line of assurance	2 nd line of assurance	3 rd line of assurance		
		Responsibilities for implementation and accountability		Arrangements for testing		
Full Council Corporate Governance and Audit Committee (Delegated responsibility)		Operational ownership and management	Oversight and compliance specialists	Independent Assurance		
		Directors and section heads sectional and directorate leadership teams	Specialist officers Proper officers			
Systems and Processes of Internal Control	Define and Document	Clear arrangements for sub-delegation of functions and responsibilities	Development of policy & procedure	Internal Audit	External Audit	External Inspectors
	Clearly Communicate	Leadership – cascading of information and expectation	Provision of guidance & training,			
	Effectively Embed	Systems of managerial control (Supervision / 121 / appraisal etc.)	Oversight and advice tailored to service need			
	Meaningfully Monitor	Local performance monitoring. Identification and mitigation of risk. Escalation of concerns	Development of robust performance indicators. Benchmarking			
	Review and refine	Feedback on systems and processes	Review of legislation, sector best practice and guidance. Strategic review of arrangements	Action Planning & Monitoring		
Officer oversight:		Corporate Leadership Team Statutory Officers (Monitoring Officer, Chief Finance Officer, Head of Paid Service)		Officer oversight		
 Democratic Oversight		Executive Members Executive Board Scrutiny Boards Corporate Governance and Audit Committee Standards and Conduct Committee		 Democratic oversight		

3 - HOW WE HAVE REVIEWED OUR GOVERNANCE FRAMEWORK

Figure 3 – Cycle of Internal Control



3 - HOW WE HAVE REVIEWED OUR GOVERNANCE FRAMEWORK

Third line of assurance - independent assurance

54) Formal independent assurance is provided by Internal Audit, External Audit, and other external inspection agencies.

Internal Audit

55) In accordance with the Public Sector Internal Audit Standards⁴ (PSIAS) as the Council's designated Chief Audit Executive⁵, the Head of Internal Audit delivered their annual internal audit opinion and report to Corporate Governance and Audit Committee in July 2023. This opinion for 2022-23 stated that:

The combination of audit work, including specific assurance reports and other auditing activities undertaken for the delivery of the 2022-23 Internal Audit plan, leads to a conclusion that the internal control environment (including key financial systems, risk, and governance) is well established and operating effectively in practice.

.....

*As a result, a **satisfactory** overall opinion for 2022-23, based on the audit work detailed within this report, including both a range of audits and other value-adding activities.*

56) The Public Sector Internal Audit Standards (PSIAS) require a quality assurance framework to be established. The latest external review of our quality management system was undertaken in November 2022. The assessment confirmed that our arrangements continue to conform to the ISO quality management standards and certification was successfully awarded for a further 3 years. These arrangements have met ISO certification since 1998.

57) The Internal Audit Service provides regular update reports in relation to Internal Audit, and bi-annual updates in relation to Counter fraud and corruption activity, to the Corporate Governance and Audit Committee. Reports provide assurance as to the quality and conduct of the internal audit service through compliance with PSIAS and as measured through feedback obtained from audited services. In addition, these reports update the Committee as to the control environment in place across the council by providing oversight of work undertaken in pursuance of the Audit Plan.

External Audit

58) Grant Thornton is appointed as the council's External Auditor for the period covering the statutory accounts for the financial years 2018/19 to 2022/23. They are represented at each meeting of Corporate Governance and Audit Committee. They have quarterly meetings with the Chief Officer Financial

⁴ Performance Standard 2450

⁵ Please note that for 2023-24 the Senior Head of Internal Audit, Corporate Governance and Insurance will be the Council's designated Chief Audit Executive.

3 - HOW WE HAVE REVIEWED OUR GOVERNANCE FRAMEWORK

Services (the council's designated Chief Finance Officer), and bi-annual meetings with the Leader of Council, Chief Executive and Director of Strategy and Resources in addition to the Chief Officer Financial Services. Additional meetings are arranged as necessary throughout the year.

59) The approved draft audit opinion 2020-21⁶, considered by Corporate Governance and Audit Committee in February 2023, states that

In our opinion, the financial statements:

- *Give a true and fair view of the financial position of the Authority as at 31 March 2021 and of its expenditure and income for the year then ended.*
- *Have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2020/21; and*
- *Have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.*

60) Under the National Audit Office (NAO) Code of practice, the external auditor is required to consider whether the Council has put in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources. Auditors are required to report their commentary on the Council's arrangements in relation to financial sustainability; governance; and improving economy, efficiency, and effectiveness.

61) The executive summary to the Auditor's Annual Report on Leeds City Council 2020-21, states

Overall, we have not identified any significant weaknesses and related key recommendations, including in the Council's response to Covid-19. We have identified a small number of improvement recommendations to further enhance the Council's arrangements, which management has accepted and will implement.

⁶ The External Auditor's review for 2021/22 is currently a work in progress, it is anticipated that the External Auditor will bring their findings to the Corporate Governance and Audit Committee in September 2023.

3 - HOW WE HAVE REVIEWED OUR GOVERNANCE FRAMEWORK

External Inspection and Peer Review

- 62) We engage with all formal inspection agencies including the Care Quality Commission and OFSTED, and our Protocol for the Coordination of External Inspection Reports ensures that reports and action plans arising from inspections are shared as appropriate with Executive Board, Scrutiny Boards and Corporate Governance and Audit Committee.
- 63) Peer review arrangements provide informal independent assurance in relation to specific services. Leeds welcomed a peer review from the Local Government Association Corporate Peer Challenge in November 2022. The Executive Summary to the findings report states

Leeds City Council is a very well-led, ambitious, and collaborative council, a beacon of best practice, delivering for and with its communities, partners, and stakeholders. A uniform love, passion and ambition for the city shines through the organisation and through its many partnerships. Members, staff, stakeholders, and partners speak of their enthusiasm of working in and with the council for the benefit of the city, the region and beyond.

- 64) All recommendations and findings from this review were accepted and an initial action plan presented at the February 2023 Executive Board. A follow-up peer review is expected to take place in September 2023.

Ombudsman

- 65) There are arrangements in place to capture, record and monitor Ombudsman Complaints regardless of whether a finding of maladministration leading to injustice is found. Where appropriate, a finding of maladministration is reported to a formal meeting of Executive Board, along with any appropriate proposed remedial action. The Monitoring Officer also reserves the right to make a report of unlawfulness to Full Council.

Democratic Oversight

- 66) As demonstrated by the Assurance Framework at Figure 4 below, there is considerable democratic oversight, providing assurance that our governance framework is effectively embedded and operating soundly.

Corporate Governance and Audit Committee

- 67) Corporate Governance and Audit Committee is the committee charged with oversight of the council's governance arrangements, with responsibility for approval of the council's accounting statements and this Annual Governance Statement.
- a) The Committee is also responsible for both the oversight of the council's Internal Audit Service and consideration of our external audit arrangements. Through approval of the risk based annual audit plan, receipt of regular update reports in relation to both internal audit and counter

3 - HOW WE HAVE REVIEWED OUR GOVERNANCE FRAMEWORK

fraud and corruption, and receipt of the annual report and opinion of the Head of Audit, the Committee is provided with independent assurance of the effectiveness of arrangements for internal control. External independent assurance is secured by consideration of regular updates and reports, the audit of the council's accounts, and the External Auditor's opinion.

68) In addition, the Committee receives assurance directly through its own work programme.

- a) A programme of annual assurance reports in relation to service specific controls (e.g., planning regulation and enforcement), and in relation to corporate systems of internal control (e.g., financial management, the decision-making framework, and corporate risk arrangements) enable the Committee to critically examine arrangements for internal control, to provide robust and meaningful challenge and identify areas for growth and development.
- b) The work programme is developed and managed flexibly by the Committee to enable consideration of further ad hoc reports in relation to matters of specific interest or concern. In this way the Committee has received assurance in relation to arrangements to embed the Best City Ambition, Estate Management arrangements, and integration of the council's Civica CX system.

Standards and Conduct Committee

69) Standards and Conduct Committee is responsible for promoting and maintaining high standards of conduct by elected and co-opted Members of the council. Through receipt of the Monitoring Officer's annual report the Committee has assurance that arrangements are effective in this regard.

Overview and Scrutiny Arrangements

70) The council has five Scrutiny Boards (Strategy and Resources; Infrastructure Investment and Inclusive Growth; Environment, Housing and Communities; Children and Families; and Adults, Health and Active Lifestyles), each responsible for the review and scrutiny of functions within their remit.

71) Overview and scrutiny arrangements seek to

- assist the development of the Budget and Policy Framework by in-depth analysis of policy issues.
- research, community, and other consultation in the analysis of policy issues and possible options.
- encourage and enhance community participation in the development of policy options.
- question Members of the Executive and Directors about their views on issues and proposals affecting the area.
- facilitate liaison with other external organisations to ensure that the interests of local people are enhanced by collaborative working; and
- question and gather evidence.

Executive Board

72) Under the Leader's executive arrangements, oversight of executive decision-making lies collectively with the Executive Board and individually with named portfolio holders in relation to matters within their remit. Through consideration of reports presented for determination, and regular briefing on

3 - HOW WE HAVE REVIEWED OUR GOVERNANCE FRAMEWORK

matters within their oversight, the Executive can monitor the way in which decisions meet policy objectives, are open and inclusive, and reflect relevant risks.

- 73) Executive Board is a key stakeholder in the formulation of our policies. Those which form part of the Budget and Policy Framework must be recommended by Executive Board to Council for consideration;⁷ significant executive policies and strategies are approved by the Executive Board; and local policies for approval within directorates are subject to briefing with relevant executive Members. This provides assurance that the policy framework meets the strategic objectives.
- 74) The Executive Board carries out performance monitoring through receipt of service specific (including Locality Working, Tackling Inequality and Disadvantages in Communities: Locality Working) and corporate performance reports (including regular Financial Health Monitoring reports and annual reports on both Equality Improvement Priorities, performance and risk management). In this way it receives assurance that arrangements are effective in ensuring that resources are used efficiently to deliver strategic outcomes.
- 75) Where specific issues are raised in relation to the council's governance arrangements Executive Board can refer matters to Corporate Governance and Audit Committee for consideration.

Full Council

- 76) In addition to its role in holding the Executive to account, Full Council receives the annual reports of key committees⁸, enabling it to hold them to account for the effective discharge of relevant council functions.
- 77) Arrangements are in place to enable the receipt of formal reports of Statutory Officers as necessary.

⁷ Relevant Scrutiny Boards must be consulted on Budget and Policy Framework as part of their development.

⁸ Corporate Governance and Audit Committee; Standards and Conduct Committee; Scrutiny boards; Plans Panels; Licensing Committee; Climate Emergency Advisory Committee

3 - HOW WE HAVE REVIEWED OUR GOVERNANCE FRAMEWORK

Figure 4 - Assurance framework

	1 st line of defence	2 nd line of defence	3 rd line of defence	Bodies charged with governance
	Operational ownership and management	Oversight and compliance specialists	Independent Assurance	
Published arrangements	Constitution Website			
Corporate Governance and Audit Committee	Service specific annual assurance reports Ad hoc reports addressing key projects and risks	Annual Assurance reports in relation to corporate systems of internal control	Internal Audit (Approval of risk-based plan, receipt of update reports; receipt of annual report and opinion) External Audit (agreement of nature and scope of annual audit plan; receipt of progress reports; receipt of ISA260 and annual audit report; certification of housing benefit grant claims) External Inspection (consideration of external inspection reports and action plans)	Approval of Annual Governance Statement and Statement of Accounts
Standards and Conduct Committee	Consultation on development of Members' Code of Conduct	Annual Report of Monitoring Officer		
Scrutiny Boards	Pre-decision scrutiny Arrangements for Call In Receipt of Performance reports	Consultation on development of budget and policy framework	External Inspection (consideration of external inspection reports and action plans)	
Executive Board	Executive Decision making Receipt of Service Specific Performance reports	Receipt of Corporate reports relating to performance and monitoring Strategy and policy approvals	External Inspection (consideration of external inspection reports and action plans)	
Full Council	Hold executive to account (executive questions and receipt of executive minutes)	Approval of Budget and Policy Framework Receipt of reports of Statutory Officers		Receipt of Annual Reports
Officer Information	Decision making reports Survey of Internal Control	Specialist Questionnaire		

Governance in Practice

78) In the main, our governance framework has proven to be robust, resilient, and responsive. The following points demonstrate the way in which our arrangements have been implemented or revised in line with our ongoing culture of continuous improvement and the continuing response to the financial challenge:

Principle 1 - Behaving with integrity: (Doing the right thing in the right way)

We will behave with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- We are committed to ethical governance and will embed our values and use them as the basis for planning and implementing services; have clear and enforced codes of conduct for Members and officers; and will work with external providers to ensure that they share our ethical standards.
- We will abide by the rule of law and will act in accordance with the legal and regulatory framework, dealing effectively with any breach
- We will have a zero-tolerance approach to corruption and misuse of power

Ethical Governance

79) The Annual Report of the Monitoring Officer, received in March 2023 by Standards and Conduct Committee, confirmed that:

- all Councillor's had received training in relation to the Councillor Code of Conduct, with advice and training provided on a 1:1 basis where specific issues have emerged during the year.
- the Monitoring Officer has supported Members of the authority (and of Town and Parish Councils) to meet their obligations in respect of the registration and notification of interests.
- the Monitoring Officer has operated and reviewed the complaints process, recommending no changes be made; and
- Full Council has appointed a second Independent Person effective from 1st April 2023.

80) In 2022, Leeds City Council became the first local authority in the country to appoint a Freedom to Speak Up Guardian. The role is central to achieving the Council's People Strategy and Best Place to Work ambitions, and the successful delivery of our LCC Equality Priorities for Employment and Organisation Culture.

81) We have also appointed a Head of Projects Equality, Diversity, and Inclusion (EDI) responsible for driving the Council's priorities in this area.

82) There has been a Council-wide rollout of Equality and Diversity Training for all appraising managers as part of the "Be your Best by bringing your whole self to work". EDI training is core to the LCC Values and Behaviours. This training is focused on making everyone who works for the Council feel included and valued as well as carrying out our city role. Be your Best on EDI is developing and supporting all LCC managers

4 - EFFECTIVENESS OF ARRANGEMENTS

to build inclusive teams and a work culture that is fair, celebrates difference, values all, eliminates discrimination and helps everyone to be their best.

83) An independent review of Organisational Culture by Internal Audit has been completed which provided increased focus on the organisational values and behaviours and the actions being taken to embed these across the organisation.

Counter Fraud and Corruption

84) We have reviewed and updated the Anti Money Laundering Policy and created a policy on a page. Throughout the year we have reminded staff of the counter fraud policies and how to raise concerns. We have promoted the Fraud Awareness Training package which is available to staff on the Performance and Learning System, including encouraging managers of staff with no digital access to present this at team meetings. A fraud awareness training package has also been developed specifically for schools.

85) The Chair of the Corporate Governance and Audit Committee has been our Counter Fraud Champion, and through the inclusion of forewords in our communication updates, has helped to raise the profile of the policies, the training available and key fraud risks. We have worked together, with other colleagues such as the corporate risk lead, to encourage ownership of fraud risks and controls throughout the authority. We have ongoing liaison with the Freedom to Speak Up Guardian, which ensures appropriate sign posting and action of concerns raised, and continuing dialogue helps to ensure that Internal Audit are appraised of any risks or control weaknesses which would necessitate audit input.

86) We continue to review the outputs of the National Fraud Initiative data matching exercise, and we are developing our use of data analytics to identify potential instances of fraud, in addition to undertaking proactive fraud reviews, and action to ensure the recovery of fraudulent payments.

Principle 2 - Ensuring openness and engagement: (Sharing information and inviting participation)

We will ensure openness and comprehensive stakeholder engagement

- We are committed to a culture of openness and will be transparent in our decision making
- We will use appropriate means to consult and engage with service users, local communities and other stakeholders to inform our activity
- We will develop formal and informal partnerships to ensure efficient use of resources and sustainable achievement of outcomes

Customer Contact

87) Our Customer Contact Centre is at the heart of our arrangements for customer contact. There are several key principles which govern this to:

- Eradicate as many service failures as possible to minimise the need for contact
- Provide clear public communications to minimise the need for clarification
- Ensure effective feedback and completion of tasks one actions by the public are raised to minimise repeat contact
- Enable those who have access to digital technology to self-service as a first preference
- To widen participation in the use of digital technology.
- Provide excellent face-to-face and telephony contact for key services which require complex handling or for customers who are unable to realistically self-serve.

88) An external review of the Contact Centre resource planning and forecasting practices has been undertaken as well as enhancing our performance management and reporting framework.

89) We have established strategic and operational Cost-of-Living response structures to ensure those accessing our services receive a consistent message and assistance. Executive Board have received a series of Cost of Living reports.

90) Our Community Hubs and Libraries continue to deliver face-to-face and telephone appointments. We have reviewed our “One Team” approach with face-to-face customer services to better manage customer access.

Engagement tools

91) A review has been completed into the effectiveness of the Council’s online engagement platform(s), led by Information and Digital Services (IDS) with strong input from Intelligence and Policy. This is exploring a way to enhance or expand provision, whilst reducing costs, through more efficient approaches to procurement and licensing, among other issues.

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- 92) There have been positive engagements with Strategy and Resources Scrutiny Board about the potential to improve the governance around consultation and engagement. There is an agreement to continue the dialogue in future years.
- 93) There have also been iterative improvements to the Consultation and Engagement Toolkit on Insite.

Partnerships

- 94) We have used an adapted Boston Matrix approach to understand our key relationships with partners at a corporate and directorate level and to plan the way in which we can work through these to achieve the city ambitions. We will refresh and review our key partners using this approach over Summer 2023.
- 95) There has been a promotion of the partnership governance and risk checklist and guidance via Inclusion on a Risk Prompt Checklist circulated to all Directorate Management Team from February 2023 onwards.

Principle 3 - Defining outcomes: (Having realistic priorities for what we can and should achieve)

We will define outcomes in terms of sustainable economic, social and environmental benefits

- We will maintain a clear strategic plan which sets out our priorities, and the intended outcomes for the citizens and communities of Leeds now and in the future.
- We will work to deliver our strategic plan in a way that is economically, socially and environmentally sustainable and demonstrates excellent value for money
- We will ensure that our services are appropriate to the different needs of citizens and communities and that we deliver fair access to our services

Best City Ambition

- 96) The Best City Ambition was adopted by Full Council in February 2022 and has been reviewed using a set of 18 interim key performance indicators during a transitional period. These are to be replaced with a medium-term progress monitoring framework including the Social Progress Index (SPI).

Medium-Term Financial Strategy.

- 97) The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. The financial challenges faced by the Council, including those resulting from Covid-19 and the current cost of living crisis, and the requirement to address these so that a balanced budget can be delivered, has re-enforced the need for the council's financial position to be robust, resilient, and sustainable and that it has a sufficient level of reserves available to deal with any future unforeseen circumstances. This

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requirement underpins the Council's Medium-Term Financial Strategy 2023/24 – 2027/28 which was agreed at Executive Board in September 2022.

98) Recognising the challenge of bridging the estimated budget gaps for the period of the Strategy, whilst at the same time seeking to ensure that the Council's budget is robust, resilient, and sustainable, another savings programme has been established. The cross council financial challenge savings programme is in place to identify robust, realistic, and deliverable budget savings proposals for Member consideration, with support provided across support services around service reviews. Progress against the delivery of approved savings is included in the monthly financial health reporting to Executive Board.

Pre-Decision Scrutiny

99) Our Scrutiny Boards undertake pre-decision Scrutiny ensuring openness and transparency in our arrangements. Our Scrutiny Boards have

- Provided collective observations on proposals in relation to the Understanding of the Cost of Living to the Executive.
- Supported the budget setting process, with early engagement and enhanced transparency in relation to savings proposals within the process
- Advised in relation to the refresh of the Children and Young Peoples Plan and Leeds Health and Wellbeing Strategy
- Advised in relation to the adoption of strategies and policies including Local Integrated Care Board Arrangements and a Reducing Gambling Review.

Principle 4 – Determining effective interventions: (Considering the options and taking informed decisions)

We will determine the interventions necessary to optimise the achievement of the intended outcomes

- We will ensure that decision makers are provided with relevant, timely information to support decisions which are proportionate, sustainable, and realistic to meet identified aims and outcomes.
- We will ensure that our financial planning, and budgeting processes inform, reflect, and support our decision making.
- We will consider best value in respect of all strategic objectives through the delivery of service specific outcomes.

Decision making

100) We have developed sample checking arrangements to ensure that officer decisions include relevant, timely information and comply with decision making framework requirements. No significant issues have been identified.

Planning Control

- 101) A thorough review of several key documents has commenced, including:
- Chief Planning Officer's Sub-Scheme of Delegation to reflect changes to the staffing establishment and the inclusion of enhanced signing off processes for tree work application to give greater assurance.
 - Planning Code of Good Practice for members is being reviewed to ensure continued relevancy.
 - Review of the Public Speaking Protocol to reflect the operational changes which mitigate the chance of accidental disclosure of personal information under GDPR.
 - Completion of the review of Local Enforcement Plan and publishing on the Leeds website in accessible format.
- 102) A review has been completed of the process for all officers across Planning and Sustainable Development regarding declaration of interest and update and re-circulation of the note for officers on this matter.
- 103) The Planning and Sustainable Development's privacy notice has undergone a significant overhaul, providing greater clarity for the public on how their data is being used and processed.
- 104) Use of digital platform for the compulsory member training to ensure members can access the training more easily, at the convenience if they are unable to attend the virtual sessions and monitoring of completion of the training to ensure compliance by all those who are required to complete.
- 105) The Householder Protocol has been further refined to include retrospective applications, in the interests of clarity and consistency.

Procurement and Contract Management

- 106) The Council's Contract Procedure Rules (CPRs) have been subject to an annual review and refresh
- 107) The Scheme of Delegation has been updated to also delegate to the Directors of Resources (with sub-scheme to Head of Procurement and Commercial Services) responsibility for "setting, supporting and monitoring the Council policies and procedures for managing ...contract management and commercial activity".
- 108) Significant progress has been made in develop of a Council-wide approach to contract management with a view to ensuring that the processes are user friendly, efficient, and effective for all scales of procurement activity.
- 109) Work is in progress to analyse opportunities for greater use of technology to enable systems to be more user friendly, efficient, and effective.
- 110) We are implementing an action plan responding to recommendations arising from a review undertaken in preparation for the core business transformation of Procure to Pay arrangements (P2P) and from the LGA peer review of procurement and commercial

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arrangements. Actions are designed to ensure compliant procurement activity, to deliver value for money in relations to external spend, and to have the capacity / capability to be effective. Actions to date include:

- New e-procurement platform
- Developing contract management best practice guidance and contract management system.
- Reviewing procurement processes, guidance, and documentation to improve efficiency and ensure fitness for purpose.
- Improving supplier and market management capability.

111) There has been development of additional corporate resource proposals to support the services' procurement and commercial activity with a view to delivering savings in response to the Council's financial challenge and the delivery of service transformation.

Principle 5 - Managing risk and performance: (Ensuring that we can implement our plans)

We will manage risks and performance through robust internal control and strong public financial management

- We will integrate robust and effective risk management arrangements into all our activity and decision making to identify, mitigate and manage risks to the achievement of our goals.
- We will have effective arrangements to plan and monitor our performance in line with our strategic objectives, and to identify and deal with any failure in service delivery.
- We will have robust arrangements for internal control which are defined and documented, clearly communicated, effectively embedded, meaningfully monitored and regularly reviewed.

Performance Management

112) Key performance indicators are reviewed, monitored and managed by directorate leadership teams on a quarterly basis. Concerns are escalated to corporate leadership team, who also consider corporate performance indicators on a quarterly basis. We plan to focus reporting to Corporate Leadership Team in order to improve their ability to more closely monitor the dynamic risk and performance environment.

113) Scrutiny Boards provide democratic oversight through bi-annual reporting of relevant key performance indicators within the remit of the Board. An annual dialogue with each Scrutiny board Chair ensures that the indicators received are relevant and reflect democratic priorities.

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Risk and Resilience

- 114) Work has been undertaken in conjunction with the Resilience and Emergencies Team to consider the impact of heatwaves and power outages on our critical services (linked to the corporate risks of major incidents in the Council / City).
- 115) The Resilience and Emergencies Team Manager became a member of ALARM (a not-for-profit organisation for members with responsibility for (but not limited to) risk, insurance, business continuity, emergency response, governance, health & safety, assurance, audit and counter fraud. Membership provides education, training, guidance, networking, and industry recognition for best practice across risk management and related services.
- 116) Emergency Planning Officers within the Resilience and Emergencies Teams are to take on operational duties regarding Business Continuity Plans, e.g.: reminding plan owners and key contacts about the annual updates and dealing with any queries about the plans and their content.
- 117) Work is ongoing to embed reporting of Risk and Resilience at Directorate Management Team level, where risk, emergency planning and business continuity are all included in a single report for each management team.
- 118) There have been ongoing challenges regarding staff resources (capability) “single point of failure” and succession planning for risk management, i.e.: the Intelligence and Policy Manager has a formal risk management qualification.
- 119) Responsibility for administering the update of the corporate and directorate risks for Communities, Housing and Environments Directorate have been de-centralised from the Intelligence and Policy Team back to the directorate. Close links are still maintained between both services ensuring that risk management information and updates are shared.

Financial Planning

- 120) The Budget Accountability Framework for senior officers and budget holders has been strengthened with the Chief Officer (Financial Services) attending Directorate management teams to reinforce the key aspects of the framework and subsequently with Finance Business partners also ensuring the framework’s requirements are communicated fully at a more localised level. In addition, the framework has been strengthened with formal budget sign-off arrangements for budget holders and the requirement to ensure that standardised budget roll-out packs are received by all budget holders.
- 121) During 2022/23 cross-directorate multi-disciplinary Task and Finish working groups have worked with services projecting overspends to support them to reduce cost pressures. To monitor and identify progress on these working groups, savings action plans are developed to record pressures and proposals to monitor improvement.
- 122) Our Core Business Transformation programme is ongoing and will bring about fundamental changes in the way Finance, Procurement, Human Resource (HR) and Payroll activities are undertaken across the Council. The new technology will enable services to standardise

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and simplify how they work freeing up capacity by removing manual processes and “ off-line ” manipulation and processing of data and providing decision-makers with timely, consistent, and standard management information in relation to their people and finances. It is anticipated that this programme will be rolled out by April 2024.

Information Management and Governance

- 123) The Council’s Data Protection Impact Assessment Process has been reviewed, will utilise the Power Apps functionality and will go live in late Summer 2023.
- 124) The complete suite of Information Governance Policies and Protocols has been mapped out for complete visibility and rationalisation. This will feed into the Council’s Corporate Policy Refresh through which a Policy Management System will be developed.
- 125) Training has been delivered to all Information Asset Owners across the organisation updating them on their responsibilities.
- 126) A project to review the Council’s Information Asset Register has been instigated and the register will be expanded to provide better information governance compliance and business intelligence.
- 127) A review of how the Council implements Information Risk Management was undertaken with the Council’s Intelligence and Policy Manager.
- 128) Phase 1 of 3 of the Council’s review of its Information Request Process was completed and has resulted in improvement to performance whereby the Council is more consistently meeting its current KPI.
- 129) The Council’s Information Management Board was reviewed and transitioned to an Information Assurance Board.
- 130) A review of the workload management was instigated and is ongoing to make the service more efficient to cope with demand and provide a higher standard of service to the public and Council Services.

Principle 6 – Developing Capacity: (Getting the best out of our resources and our people)

We will develop the council's capacity, including the capability of its leadership and the individuals within it.

- We will continually review how we use our assets and information to achieve outcomes efficiently and effectively.
- We will develop, maintain, and implement arrangements which support and develop the capacity of Members and Officers.
- We will ensure that leadership roles are clear and defined and that relationships between elected Members and officers work effectively to set and implement our strategic goals.

Estate

131) We work in partnership with a range of public and third sector organisations to ensure best use of the Council's estate by sharing space both in the city centre and the wider locality estate. Where necessary, appropriate, and affordable, we also consider the use of partner estate to meet the needs of the Council in delivering services. This partnership working is developing the potential to deliver public sector hubs, meeting the needs of citizens and communities in Leeds, and is reflected the West Yorkshire Combined Authority's of the Public Estate partnership of which the Council is a member.

Officer Capacity

- 132) 'Being Our Best – our organisation plan for 2023 onwards' sets four clear expectations for our appraising managers: live the council values and behaviours; lead your teams to be their best; engage in the Be Your Best Manager programme; and influence and deliver the changes affecting us all. Managers will be supported through the Be Your Best Manager Development Programme.
- 133) In addition to ensure we continue to evolve to meet the ongoing financial and demand pressures, Being Our Best identifies five interdependent cross council change priorities to ensure we modernise as an organisation: improving efficiency in how we do business in the council; improving our digital offer; improving how we serve customers; improving how we work with people and families; and improving the coordination of our services locally.
- 134) As part of the CBT Core HR & Payroll tender, we are actively looking for solutions that will aid a better collection of EROI information and manager compliance with review following an audit in 2022/23.
- 135) The Employment Policy framework has been reintroduced (following covid).
- 136) We began the delivery of the 5 step EDI training process with managers, for culture change programme and embed our values led approach to equality, diversity, and inclusion in the organisation. These began in 22/23 and is continuing throughout 23/24 with clear expectations set by managers.

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- 137) We began the delivery of 'Be your Best' training available to new and existing managers to help upskill them around our values and approach to management. The new leadership and management development framework has been rolled-out which builds on established high quality learning opportunities, and is structured into three parts, core, self-directed, and community-led. The framework supports and enables leaders and managers to be their best in changing times, evidenced through leaders and managers who are capable, confident, and compassionate in their roles.
- 138) We have introduced a new and refreshed corporate induction, with representation from the political and officer leadership to all new starters
- 139) The Recruitment and Resourcing team have been carrying out a review of the Recruitment and Selection Toolkit for recruiting managers. The toolkit covers the end-to-end recruitment process from seeking sign off for the vacancy through to onboarding the preferred candidate. This will ensure that managers are aware of what good recruitment practice looks like, help managers make good recruitment decision and provide various options for the advertisement of opportunities.
- 140) We have built on learning from working practice developed during the pandemic to enhance our officer communication strategy. Quarterly BCLT (Best Council Leadership Team) events are supplemented by monthly Extended BCLT sessions to engage directly with a broader range of colleagues. There is a weekly update note, and a weekly all staff vlog or email from the Chief Executive. The Chief Executive has participated in several visits to engage directly with teams. A weekly manager email communicates key issues to all managers.
- 141) Similarly, we continue with our learnings from the post-pandemic external communications strategy in the form of regular emails from the Chief Executive and Leader of the Council shares key messages with elected members in addition to approx. 600 partners and stakeholders across the city.
- 142) We are continuing to partner with the Chartered Institute of Personnel Development (CIPD) to understand more about our people-related activities using the "CIPD People Impact Tool". The tool offers insight into the current impact of the people activities in the organisation, informs us what is working well and provides an action plan for the future. This helps to both ready the service for Core Business Transformation and to assess the impact of the HR service and the People Strategy.

Member Development

- 143) During 2022/23 an improved offer for Members has included improved communication and access to a wider range of dates for the training sessions in formats that are easier to access, these include links to external partners/online training offers and in-person training where that is the most appropriate method of delivery.

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- 144) There has been the delivery of further enhanced Member Induction programme, EDI training for all Members, a continued focus on Member safety, local government finance and funding, Education, Health and Care Assessments and Skills training for Committee Chairs.
- 145) There has been continued focus on Planning and Licencing training to ensure compliance with the requirements of the Constitution (in accordance to Article 8 Planning Code of Good Practice and Article 8A Licencing Arrangements respectively).
- 146) There has been continued deliverance of the Member-led Induction Scrutiny Training (led and delivered by Opposition Scrutiny Chair) which is a popular approach with Members.
- 147) The Complaints procedures for the Members Code of Conduct have been reviewed and amended. There has also been an appointment of an additional Independent Member to support the Standards and Conduct Committee.

Principle 7 - Effective accountability: (Ensuring our processes are clear, robust, and open to review)

We will implement good practices in transparency, reporting and audit, to deliver effective accountability.

- We will provide clear, accessible, and timely information so that we can be held to account for the decisions we take and for our performance
- We will have effective arrangements to provide independent assurance in respect of our governance arrangements
- We will welcome peer challenges, reviews, and inspections from regulatory bodies, and will implement action plans which arise from them

Effective Scrutiny

148) Our Scrutiny arrangements enable our five Scrutiny Boards to:

- Make recommendations to the Executive and / or appropriate committees and / or Council arising from the outcome of the scrutiny process.
- Review and scrutinise the performance of other public bodies in the areas and invite reports from them by requesting them to address the Scrutiny Board and local people about their activities and performance.
- Report and make recommendations to external partners (underpinned by statute in some cases, e.g.: NHRS bodies and those authorities responsible for crime and disorder strategies); and
- Respond to referrals from external bodies (e.g.: Healthwatch Leeds)

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- 149) Our scrutiny arrangements have been further improved by reviewing reporting arrangements to improve the clarity of evidence-base for scrutiny outcomes; developing end of municipal year summary reports for each Board; building on existing arrangements to utilise the Internal Audit Plan as a tool to assist in determining and scheduling scrutiny work; reviewing work categorisation to ensure it remains fit for purpose; and reviewing the communication and engagement approach.
- 150) Further scrutiny can be demonstrated by receipt of various reports received at scrutiny boards through the year, including Safeguarding : the notification of arrangements within the Safeguarding partnership at Children and Families, Gambling Harm at Community Housing and Environment, 100% Digital Infrastructure at Infrastructure, Investment and Inclusive Growth, Dentistry at Adults, Health and Active Lifestyles, and Equality, Diversity and Inclusion (EDI) at Strategy and Resources scrutiny boards.
- 151) During 2022/23, in conjunction with Scrutiny Board Chairs, work has been carried out to review the way in which performance data is presented to Scrutiny Boards. From January 2023 a new format of performance reporting has been used to more directly link to the three pillars of the Best City Ambition.
- 152) A joint report was provided to Executive Board in February 2023 to set out the conclusions and recommendations of all five Scrutiny Boards in relation to the proposed budget. The Scrutiny Boards jointly welcomed the publication of Business-as-Usual savings, as recommended in February 2022, alongside the budget proposals. This increased transparency strengthened the budget consultation (which is required under the Budget and Policy Framework), and the Boards have recommended this approach continues in future years.

Internal Audit

- 153) Work has been continuing in relation to the Recommendation Tracker and its roll-out across the directorates. The Recommendation Tracker has been developed to provide assurance that the high and medium priority recommendations raised during Internal Audit reviews are implemented by the service, the details are entered to a Recommendation Tracker to which key directorate personnel have access to update progress against those recommendations during their implementation process.
- 154) There has been the development of a Data Analytics strategy and greater use of data analytics to provide key assurances.
- 155) Increased support has been provided to emerging and transformational projects in addition to audit and assurance work. Increased support has also been provided to Integrated Digital Service (IDS) to address concerns that have been raised in relation to governance and decision making. Work is ongoing with the service to strengthen these arrangements.

Ombudsman

- 156) We have engaged with Ombudsman investigations and seek to learn from findings. For example:

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- a) In September 2022, Executive Board received a report from the Director of Adults and Health informing the Board of the Local Government and Social Care Ombudsman's findings and recommendations, as contained within a public report, in respect of a complaint made against the Council regarding the standard of residential care provided to an individual and charges made for care. The report provided an update on, and assurance regarding the effective actions which the Council was taking in response to the Ombudsman's recommendations, as detailed within the associated Action Plan.
- b) due to adverse findings in relation to a small number of planning cases during the year, we have made changes to system and processes in the interests of good governance and transparency and to mitigate the changes of reoccurrence, these included:
 - Update of the Local Enforcement Plan on the circumstances when CCTV can be used as evidence in investigations
 - New process ensuring applicants provide a summary of the material changes in minor material amendment applications.

External inspection

- 157) In November 2022, Leeds hosted the Local Government Association (LGA) Corporate Peer Challenge (CPC). Most Councils have a Peer Challenge approximately every five years, with the last one in Leeds taking place in 2016. The outcome of the CPC was received in December 2022 and all findings and recommendations were fully accepted. An initial action plan was presented in February 2023 Executive Board which informed Being Our Best – our organisational plan adopted in June 2023. The action plan will support the provision of evidence for the follow-up visit from the Peer Challenge team expected in Summer 2023.
- 158) We are preparing to host the Information Commissioner's Office for a consensual audit in the Autumn / Winter 2023.

2022 Action Outcomes

- 159) We have monitored the actions identified in the 2022 Annual Governance Statement and those action identified as "in progress" from the 2021 Annual Governance Statement and include at Annex 1 to this Statement a summary of the outcomes in relation to each of these.

Actions Identified	Outcomes	Status
Principle 1 - We will behave lawfully, with integrity and in the public interest and demonstrate this through our conduct and behaviour.		
Organisational Culture		
<p>The Chief Executive has requested an internal audit review of Organisational Culture to offer a view on</p> <ul style="list-style-type: none"> • The actions taken to embed the council’s values and behaviours across all services and activities. • How we assess the extent to which values and behaviours have been embedded; and • How our values and behaviours shape the culture of the organisation. 	<p>The Internal Audit review concluded in March 2023. Recommendations have been made which are aligned with the services intended plans to carry out work in 2023/24 in areas including:</p> <ul style="list-style-type: none"> • the development of the organisational plan, • leadership and management framework, • appraisals review, • the continual review of pan authority communication, • the Core Business Transformation programme addressing staff not digitally enabled; and • staff access to their key employee information. 	Complete
<p>We have requested a review of arrangements in place to manage the risks associated with employee outside interests.</p>	<p>The Internal Audit review was completed September 2022 Recommendations led to plans to review and embed the Employee Outside Interest policy throughout the employee life cycle, publishing declarations reintroduced, annual high risk post data capture, recording and retention to be refined and EOI risk added as prompt on the risk register</p>	Complete
Ethical conduct of Member:		
<p>We will progress a process for the recruitment and induction of a new Independent Person.</p>	<p>A recruitment process has been undertaken and an Independent Person was appointed for a period of two years, beginning on 1st April 2023. There is an option to extend this appointment for a further two years.</p>	Complete
Fraud & Corruption:		
<p>We will review and further embed our communication plan to raise awareness and understanding of the council’s counter fraud arrangements, policies and strategies including in particular:</p> <ul style="list-style-type: none"> • whistleblowing arrangements • Anti-bribery and anti-money laundering arrangements • The Counter Fraud Strategy • Fraud awareness training including the provision of bespoke sessions. 	<p>We have undertaken comprehensive reviews of the control environment to assess the adequacy of counter fraud arrangements. We have rolled out our fraud awareness training to schools via the Leeds for learning platform, reviewed and refreshed the Anti Money Laundering Policy, and we will continue to review and refresh the counter fraud communication and training plans. We will continue to develop the counter fraud reporting to the CGAC, plus hold regular meetings with the FTSUG and colleagues from across the council to share knowledge of key fraud risks.</p>	Complete (Arrangements in place)

Actions Identified	Outcomes	Status
<ul style="list-style-type: none"> Strengthen working arrangements with Freedom to Speak Up Guardian (FTSUG), Counter Fraud champion and the key counter fraud contacts within the Council. 		
<p>Principle 2 - We will be open and engage with local communities, service users and our other stakeholders.</p>		
<p>Customer Contact</p>		
<p>In connection with the locality asset review, we will review and restate the Community Hub / Library proposition to deliver further services from sites.</p>	<p>Work is ongoing and now linked to the corporate work being done on locality asset rationalisation and locality working. The aim is to move towards more integrated, front-facing public service buildings within localities and the Community hubs and libraries are central to this.</p>	<p>Complete (Arrangements in place)</p>
<p>Decision Making</p>		
<p>We will review and develop the training provided in relation to the decision-making framework to support officers in decision-making activities.</p>	<p>There is a decision-making toolkit available on Insite and training videos have been produced which are available to all officers on the PALs system. Written guides to decision making have also been provided to all Members, with new Members receiving a copy on induction.</p>	<p>Complete</p>
<p>We will review arrangements from decisions in relation to the receipt of income.</p>	<p>This action will be carried forward to 2023/24</p>	<p>Carry Forward</p>
<p>Consultation and Engagement</p>		
<p>We will continue to improve and signpost towards the Consultation and Engagement Toolkit on InSite for info on best practice methods and approaches.</p>	<p>The Consultation and Engagement Toolkit is available on Insite which is updated as required. Officers are signposted to this, as necessary.</p>	<p>Complete</p>
<p>We will continue to work with IDS to rationalise the number of tools and systems the council procures for online consultation and engagement activity, moving towards a single online engagement hub for the council in the longer term.</p>	<p>MS Teams Planner is available to assist with consultation planning and expert input for this is in development. This is currently in the early stages and is only used internally. The intention is to open up access to external partners once the approach is established across the council.</p>	<p>Complete (Arrangements in place)</p>
<p>Partnerships</p>		
<p>We will develop and implement a communication plan in relation to partnership governance and risk tools.</p>	<p>Partnership Governance and Risk has been added as an item on a recently developed Risk Prompt Checklist that is circulated to all Directorate Management Teams as part of their routine Risk Management quarterly reporting arrangements. This entry prompts these teams to identify any issues or concerns with Partnerships within their remit and escalate these as appropriate. It also includes a link to the Partnership Management Insite page.</p>	<p>Complete (Arrangements in place)</p>
<p>We will develop and implement a plan to further communicate and embed light touch arrangements for partnership governance and risk.</p>		

Actions Identified	Outcomes	Status
Principle 3 – We will focus our resources on outcomes and ensure council taxpayers and service users receive excellent value for money		
Strategic Framework		
<p>We will develop and deliver an internal communication plan to:</p> <ul style="list-style-type: none"> • Communication a clearer strategic framework for LCC, led by the Best City Ambition • Provide the context for all upcoming strategy reviews, and • Set principles to reduce amount of strategy and focus on fewer but more aligned and impactful strategy documents. 	<ul style="list-style-type: none"> • A report was presented to Strategy and Resources Scrutiny Board on 16th January 2023 on the Council’s approach to corporate communications and consultation and engagement • A shared calendar is being developed in Microsoft teams of future mass communications • The implementation of this is ongoing. We have agreed that existing strategies will be reviewed, adjusted and if necessary, challenged as they come up for renewal, rather than generating a large and disruptive additional review job. • The strategic framework of the Best City Ambition focuses efforts on the r cross-cutting three pillar strategies, and a small number of essential thematic priorities: 	Complete
<p>We will develop an externally facing strategy hub to be created where strategic framework above can be clearly outlined, and relevant documents hosted.</p>	<p>This is currently on hold as the council website is yet to be replaced. We are working on whether reformatting the current Strategies and Plans section of the website is an appropriate interim measure to improve what is currently available. The web team is supportive of this so some small adjustments to improve clarity and accessibility are to be made in the coming weeks/months. Longer term plans for the new website remain the same.</p>	Carry Forward
<p>We will review the Best City Ambition in a light-touch way annually, providing opportunities to strengthen connections and keep its profile high.</p>	<p>The 2022 refresh was pushed back given ongoing implementation work. An Ambition update will be received by Executive Board in November or December 2023. This will both provide a refresh of the Ambition and set out with clarity future refresh approach and timetable.</p>	Complete (Arrangements in place)
<p>We will refresh the Leeds Policy Network, supported by the Three Pillars Group, to continue to facilitate connections between Best City Ambition and themed policy/strategy areas.</p>	<p>The Leeds Policy Network holds meetings approximately every two months for a cross section of staff to share updates related the Ambition and the three pillars. Every other meeting is extended to external colleagues.</p>	Complete (Arrangements in place)
Social Value:		
<p>We will continue to implement Procure to Pay review action and will:</p> <ul style="list-style-type: none"> • Amend CPRs to strengthen requirement to include social value in all Council contracts 	<p>CPRs have been updated to record that a minimum 10% of the evaluation needs to be allocated to Social Value and officers must consider Social Value</p>	Complete
	<p>The commissioners guide, the Social Value toolkit and process documents have all been updated since Social Value Portal (SVP) was removed.</p>	Complete

Annex 1 – 2023 SUMMARY ACTION PLAN

Actions Identified	Outcomes	Status
<ul style="list-style-type: none"> Refresh delivery documents & tools to ensure they are user friendly. Further improve connectivity with staff in Procurement and Commercial Service 	Procurement Officers have been given training on the new process and system and also working with SVE (Social Value Engine) on the wider Social Value Communications which will include services areas.	Complete (Arrangements in place)
To review arrangements for delivery and monitoring of social value (as current arrangements with Social Value Portal expire)	A new process has been identified and documentation prepared. Recruitment is ongoing and it is anticipated that the new team will be in place by mid-June 2023 and the dashboard updated to manage performance.	Complete (Arrangements in place)
Principle 4 - We will ensure we have clear responsibilities and arrangements for transparent and effective accountability		
Decision Making:		
We will embed arrangements for the sample testing of key and significant operational decisions taken by officers.	Internal Audit undertake sample testing of 5 key and 10 SODs each month for assurance the report content is sufficient. The key decisions are shared with specialist staff for their comment on the sections related to their area	Complete (Arrangements in place)
Directors will monitor the impact of June 2022 changes to the report template aimed at improving accountability for decisions against the priorities in the Best City Ambition and Three Pillars.	Spot checking of reports is ongoing, with Internal Audit prompting this monthly. Outside of that formal check, more informal arrangements to check and input into reports is being done by the Head of Policy. Evidence from these assurance processes suggests the Ambition has been well understood and decision-making reports are reflecting impact to a good standard. This understanding of the Ambition and its relevance to the council's work was also reflected in the 2022 LGA Peer Review.	Complete (Arrangements in place)
We will continue to consider our informal governance arrangements (panels, boards, groups) to ensure that they are able to appropriately influence and add value to our decision making.	This work remains an ambition, but has not progressed in a large-scale way due to capacity limitations	Complete (Arrangements in place)
Procure to Pay Review Action Plan (P2P)		
We will continue to progress with P2P stream of Core Business Transformation Programme to procure and implement modern integrated cloud technologies to exploit digital capability, but also to drive down costs and achieve better value for money through efficient and standardised practices, and will:		
<ul style="list-style-type: none"> Review and simplify Contract Procedure Rules (CPRS), procurement documentation and tools to make user friendly and aid self-service. 	CPRs and some supporting documentations have been reviewed and simplified and a user-friendly version created in draft format. This is currently awaiting review by relevant officers. Case for Change also considered for external support in reviewing procurement and contract management documentation.	In Progress

Annex 1 – 2023 SUMMARY ACTION PLAN

Actions Identified	Outcomes	Status
<ul style="list-style-type: none"> Develop and embed contract management best practices across the Council 	<ul style="list-style-type: none"> 400+ contract managers have been identified across the organisation. Research has been undertaken to identify best practices in contract management and over 60 staff have now undertaken Foundation training. The contract management module became mandatory training for all awarded contracts in October 2022. A contract management newsletter has been developed and circulated across the council sharing key updates. A Market Sounding Exercise is ongoing to determine what technology is available to facilitate procurement in contract management, with focus on automation, integration, and efficiencies. 	Complete (Arrangements in place)
<ul style="list-style-type: none"> Provide additional, targeted commercial support services to improve commercial skills. 	The trial of the Strategic Commercial Business Partner has been evaluated and determined a success, therefore a proposal to create a new permanent Strategic Commercial Business Partner post assigned to 'Peoples' under Procurement and Commercial Services category management approach has been approved as part of Procurement and Commercial Services authorised restructure.	Complete (Arrangements in place)
<ul style="list-style-type: none"> Improve supplier management and market intelligence to support supplier negotiations. 	<ul style="list-style-type: none"> We have been engaging with potential local suppliers via a new comms and marketing plan. We are providing potential suppliers with training, support, and guidance regarding bidding for public contracts. We have undertaken work to understand the barriers to bidding for Council contracts. External platforms like Tussell intelligence platform can assist us in gaining a better understanding of our market expenditure. This understanding will be valuable when we need to negotiate with suppliers in the future. By using the platform to gather expenditure data that can be across different markets and regions, will provide an insight about local suppliers, we will be able to identify potential suppliers and understand the council's position in the market. This knowledge will put us in a better position to engage with potential suppliers, negotiate contracts, and ultimately provide better services to the citizens of Leeds. 	Complete (Arrangements in place)
<ul style="list-style-type: none"> Review and update Procurement Strategy and processes when Procurement Bill enacted to ensure compliance with the new regulatory regime. 	Carried forward pending implementation of the new Procurement Bill.	Carry Forward
Principle 5 - We will take informed and transparent decisions		
Performance Management		

Annex 1 – 2023 SUMMARY ACTION PLAN

Actions Identified	Outcomes	Status
We will review the Best City Ambition performance framework.	<ul style="list-style-type: none"> • A mapping exercise and review of the council’s strategic framework has been undertaken. • Discussions with Executive portfolio holders about all the strategies that fall within their remit and further engagement with Directors and CLT led to an agreement on a revised strategic framework to support the Best City Ambition. • Moving forward elected members have agreed to focus efforts on our cross-cutting three pillar strategies and a small number of essential thematic priorities. Framework relates to city outcome-focused strategies. 	Complete
We will work with directorate leadership teams, CLT and scrutiny boards to improve performance reporting, using the resources we have (including Power BI) to best effect by focusing more selectively on the indicators and performance information which can drive improvement and evidence-based policymaking.	Interim key performance indicators have been identified and used to report progress pending development of the medium-term performance framework (to be reflected in 2023 action plan.)	Complete (Arrangements in place)
Risk and Resilience		
We will make refresher training available to all services on all aspects of risk and resilience (risk management, business continuity planning, and emergency planning).	<ul style="list-style-type: none"> • Training is tailored to suit the needs of the service requesting it. The scope usually includes what risk is, the benefits of risk management, how to identify and assess risks, options for treating risks, how to develop and maintain a risk register and risk reporting arrangements. • One to one training sessions are also available on how to use the Risk Management System to administer corporate and directorate risks 	Completed
We will develop and implement a communication plan in relation to the refreshed corporate business continuity policy and strategy.	<ul style="list-style-type: none"> • The main source of risk management information and guidance is available on InSite which contains the Policy and Strategy and toolkit. Membership of this site is determined by stakeholder role. • The main source of Business Continuity guidance and information within the council is the Insite Business Continuity Management toolkit 	Completed
We will facilitate risk review sessions with directorate leadership teams.	In Spring 2023, all Executive Board Members were offered the opportunity to have a one-to-one briefing with the Intelligence and Policy Manager on the corporate risks, prior to the finalisation of the Annual Corporate Risk Report.	Completed
Information Management and Governance		
We will develop and deliver a service action plan to: <ul style="list-style-type: none"> • Review IMG governance bodies, systems, and processes in relation to information requests; Data 	<ul style="list-style-type: none"> • The Council maintained its Public Services Network (PSN) certificate which was achieved in October 2022 which ensures that the Council can continue to share information securely. 	Complete (Arrangements in place)

Annex 1 – 2023 SUMMARY ACTION PLAN

Actions Identified	Outcomes	Status
Protection Impact Assessments (DPIA); information security incidents; information risk management.	<ul style="list-style-type: none"> • Significant work has been done on the Internal Audit recommendation to improve the oversight, recording and completion of Data Protection Impact Assessments. In line with the Council’s Digital Strategy work started Dec 2022 with Integrated Digital Services (IDS) to create suitable technology to support the process. New process and software are due to go live in late summer 2023. • Performance in relation to Information Requests has improved from the previous year and with significant changes made earlier in the year performance had reached just under KPI target of 90% in Q2. Consistency had been an issue due to ongoing resource pressures – plans in place to improve this. • Working in conjunction with Risk Management to centrally coordinate the risk which is currently done collectively and added to the directorate registers. 	
<ul style="list-style-type: none"> • Develop and implement an IMG communication strategy to include reviewing policy framework; relationship development; reporting arrangements including dissemination of lessons learned; a cross council training programme. 	<ul style="list-style-type: none"> • Work began on this in the middle of 2022 which included identifying our existing communication channels and stakeholders. Owing to the recruitment of a Communications and Marketing Officer within IDS, this formal work task was however paused. • Improvements in communication, relationship development and reporting has however progressed through the review and transition of the Information Management Board into an Information Assurance Board. Membership was reviewed which has improved all interaction with services and currently in the works are IDS specific update items at each DMT on a regular basis. Work on bringing this together in the form of an IMG Communication Strategy will be restarted during Q1 of 23/24. 	Complete (Arrangements in place)
<ul style="list-style-type: none"> • Implement a workforce development programme for the Information Governance Service. 	<ul style="list-style-type: none"> • The workforce development programme was progressed with the IMG team securing Practitioner level GDPR and FOI courses for all IMG staff. This is supplemented by regular in-house bitesize sessions held by staff who are either working on a particular task or who have been asked to researched and present on a particular topic for their development. • In May 2023, the IMG team will be moving from 4 multi-disciplinary pods to 3 more resilient and efficient workstreams. As a result of this change of approach to managing workload and the extent of training being provided through the Practitioner courses, the workforce development programme will require a review to fit the new way of working. This will be progressed as we transition to the new approach over the course of Q1 and Q2 of 23/24. 	Complete (Arrangements in place)

Actions Identified	Outcomes	Status
Principle 6 - We will ensure that we have robust and effective audit, scrutiny, information governance, risk, and financial management controls		
Integrated Digital Services (IDS)		
We will undertake an iterative review of arrangements for governance and decision making in relation to Integrated Digital Services to ensure controls articulated, communicated, and embedded within the service and across the Council.	The annual report concerning the decision-making arrangements within IDS was presented to Corporate Governance and Audit Committee in February 2023 to provide assurances around the arrangements in place. The report provided assurance that the arrangements provide a framework for transparent and accountable decision making within IDS in accordance with the Council's Corporate Governance Code and Framework. Further work in this area will be considered over the course of the next year.	In Progress
Human Resources		
We will launch a new corporate induction process and seek and review feedback for this will be done during 2023 after initial sessions.	Induction has been refreshed and was relaunched in 2022. This outlines the council values and behaviour as well as including a talk from both the Chief Executive and the Leader of the Council.	Completed
Principle 7 - We will develop our capacity and capability to be effective.		
External Inspection and Review		
Corporate Peer Challenge (CPC) We will engage with the LGA CPC review team to ensure robust, strategic, and credible challenge.	The LGA CPC review was presented to Executive Board in December 2022. An action plan has been developed to respond to this which was presented to Executive Board in February 2023.	Completed
Internal Audit		
We will establish and implement an internal audit communication strategy to enhance the profile of the service, encourage early engagement, and develop understanding of audit review process.	This work remains an ambition for the service but has not progressed. This will be carried forward to 2023/24.	Carry Forward

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Grant Thornton Audit Interim Findings Report 2021/22

Date: 24th July 2023

Report of: the Chief Finance Officer

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report presents Grant Thornton's Interim Audit Findings Report for their audit of the Council's 2021/22 statement of accounts. The report is attached as Appendix 1.

The report outlines Grant Thornton's findings to date, and the areas which remain to be covered when their audit work resumes.

Recommendations

- a) Members are asked to receive the Interim Audit Finding Report presented by Grant Thornton and to note the recommendations made.

What is this report about?

- 1 This report presents Grant Thornton's Interim Audit Findings Report (known as the ISA 260 report) for their audit of the Council's 2021/22 statement of accounts. The report is attached as Appendix 1.
- 2 The report outlines progress on the audit and Grant Thornton's findings to date, making a number of recommendations. Audit work on the 2021/22 statement of accounts will resume during July, and the report outlines the areas which remain to be covered.
- 3 Grant Thornton's report also notes that their value for money audit work for 2021/22 has already been completed and was reported to the Committee at the March 2023 meeting.

What impact will this proposal have?

- 4 The report outlines Grant Thornton's findings to date from their audit of the 2021/22 statement of accounts.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 5 The report relates to the council's underlying financial governance arrangements rather than to any specific aspect of service delivery.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 6 The audit report does not raise any issues requiring consultation or engagement with the public or ward members.

What are the resource implications?

- 7 Grant Thornton's Audit Report outlines their interim findings for the 2021/22 statement of accounts, and contains no implications for the Council's level of resources.

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

- 8 Grant Thornton's audit plan for 2021/22 which was presented to the September 2022 meeting of the Committee set out the key risks relating to the statement of accounts which had been identified as part of the audit planning process. This report provides an update on findings relating to those risks.

What are the legal implications?

- 9 The Audit Plan outlines Grant Thornton's progress in discharging their responsibilities for the 2021/22 accounts under the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

Options, timescales and measuring success

What other options were considered?

10 The report summarises Grant Thornton's findings to date for the 2021/22 audit.

How will success be measured?

11 Grant Thornton have made a number of recommendations, and progress on these will be reported in future audit reports.

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

12 Grant Thornton aim to present their final Audit Findings Report (ISA 260 report) on the 2021/22 statement of accounts to the September 2023 meeting of the Committee.

Appendices

- Appendix 1 is Grant Thornton's Interim Audit Findings Report for 2021/22.

Background papers

- None

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Corporate Governance and Audit Committee Work Programme 2023-24

Date: 24th July 2023

Report of: Chief Officer Financial Services

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

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

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

Recommendations

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

What is this report about?

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

What impact will this proposal have?

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

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 3 The work undertaken by the committee will provide assurance that arrangements for internal control support the delivery of the council's strategic objectives.
- 4 Following consultation with the Chair of Committee the item providing annual assurance in relation to Procurement has been deferred to the September meeting.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 5 The work programme was approved by the Committee at its meeting in March 2023 and is presented at each meeting for the Committee to consider and amend as appropriate.

What are the resource implications?

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

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

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

What are the legal implications?

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

Options, timescales and measuring success

What other options were considered?

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

How will success be measured?

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

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

- 12 As set out at Appendix A.

Appendices

- Appendix A – Work Programme of Corporate Governance and Audit Committee 2023/24

Background papers

- None

Proposed Work Programme 2023/24

Date		Work Item	Author	Attendee	Category
26th June 2023	1	Internal Audit update report	Jonathan Foster	Angela Laycock	Internal Audit
	2	Counter Fraud and Corruption update report	Louise Ivens	Louise Ivens	Internal Audit
	3	Civica CX (Housing) and FMS (Finance) systems interfaces	Helen Jackson	Girish Solanki	Additional Assurance
	4	Draft annual report 2021/22 of CGAC to Council	Liz Gott	Kate Sadler	Effectiveness
24th July 2023	1	Internal Audit Annual report and opinion (including assurance in respect of RIPA)	Jonathan Foster	Angela Laycock Louise Ivens	Statutory
	2	Grant Thornton Update Report		GT	External Audit
	3	Draft Statement of Accounts (for information)	Mary Hasnip	Mary Hasnip	Statutory
	4	Interim Annual Governance Statement (for information)	Kate Sadler	Kate Sadler	Statutory
25th September 2023	1	Annual assurance report on planning regulation and enforcement arrangements	Helen Cerroti	David Feeney	Annual Assurance
	2	Annual assurance report on procurement policies and practices	Kieron Dennett	Kieron Dennett	Annual Assurance
	3	Annual assurance report on decision making		Kate Sadler	Annual Assurance
	4	Informing the Audit Risk Assessment	Mary Hasnip	GT	External Audit
	5	Receipt of External Audit's Audit Report for 2021/22 Accounts	Mary Hasnip	GT	External Audit

Date		Work Item	Author	Attendee	Category
	6	Receipt of External Auditor's audit plan for 2023/24	Mary Hasnip	GT	External Audit
	7	Internal Audit update report	Jonathan Foster	Angela Laycock	Internal Audit
	8	Approval of Annual Governance Statement 2023	Kate Sadler	Kate Sadler	Statutory
27 th November 2023	1	Receipt of External Auditor's Annual Report setting out findings of 2022/23 Value for Money Review	Mary Hasnip	GT	External Audit
	2	Counter Fraud and Corruption update report	Louise Ivens	Louise Ivens	Internal Audit
	3	Annual report on financial planning and management arrangements (to include Treasury Management)	Richard Ellis	Richard Ellis	Annual Assurance
	4	Annual assurance report on corporate performance management arrangements	Claire Keightley and Emma Kamillo-Price	Mike Eakins, Claire Keightley and Emma Kamillo-Price	Annual Assurance
	5	Annual assurance report on corporate risk and resilience arrangements	Tim Rollett and Leanne Cummings	Tim Rollett and Leanne Cummings	Annual Assurance
5 th February 2024	1	Receipt of External Audit's Audit Report for 2022/23 Accounts	Mary Hasnip	GT	External Audit
	2	Approval of Audited Accounts	Mary Hasnip	Mary Hasnip	Statutory
	3	Internal Audit update report	Jonathan Foster	Angela Laycock	Internal Audit
	4	Joint annual report on information governance from Data Protection Officer and Caldicott Guardian	Aaron Linden	DPO / Shona McFarlane	Annual Assurance

Date		Work Item	Author	Attendee	Category
	5	Update report on Information and Digital Services Governance	Andrew Byrom	Leonardo Tantari	Annual Assurance
18 th March 2024	1	Receipt of Internal Audit Plan	Jonathan Foster	Angela Laycock	Internal Audit
	2	Annual assurance report on employment policies and procedures and employee conduct	Jess Dolphin	Andy Dodman	Annual Assurance
	3	Proposed Work Programme	Kate Sadler	Kate Sadler	Effectiveness

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