Introduction

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

Define and Document

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

• Digital Strategies	• A set of digital principles have been defined which set the parameters for how IDS develop new technical solutions and ensure that architectural decisions align to these principles. An example being Cloud First as a guiding principle. • IDS are in the process of developing an Enterprise Architecture strategy which will help the organisation to understand the business functions, IT, data, and risk perspectives and then effectively plan for success.
• Digital priorities	• IDS through the Digital Change function, work closely with Directorates to plan their IT requirements and then through the Digital Board prioritisation is aligned to planned work across the council.
• IM & G	• Please see separate report on this agenda Annual Information Governance Report, including the Annual Report of the Caldicott Guardian

3. **Roles and Responsibilities**.

Officer Roles and Responsibilities	
• Director of Resources	• The Director of Resources has overall responsibility for the IDS function and works closely with the CDIO to set strategy and direction.
• CDIO	• The Chief Digital Information Officer has full accountability for the Digital Service within the authority. All Digital decisions including any financial spend on Digital products or services are the responsibility of the CDIO. The CDIO is responsible for setting Digital strategies and for the effective planning of future Essential Service Programme capital spend requirements.
• Digital Change	• The Digital Change team are responsible for ensuring Directorates can leverage the maximum return from their investments in digital products and services. Through effective Product Management the Digital Change team own the full lifecycle of products and ensure

	change, contract management, training, product performance optimum, and Digital Transformation. • The Digital Academy within Digital Change is responsible for ensuring Council staff and citizens are effectively trained and digitally included to enable them to drive maximum value from Digital products and services.
• Service Managers	• Service Managers within IDS are responsible for ensuring their service areas are managed effectively and that service planning is established to ensure effective management of the service area.
Governance bodies - IDS	**Responsibility**

• Pre-Digital Board	• To review Work Requests to ensure meet Strategic Direction and are in line with Digital Roadmaps and Financial Challenge, and organisational priorities.
	• Approved work to progress:
	    o as Business As Usual (BAU)
	    o as part of an established programme (e.g. ESP, website)
	    o New developments/Opportunities for Digitisation of processes and services.
	• to be presented at Digital Board for prioritisation

• Digital Board	• To set the strategic direction for the Digital Board, ensuring Digital enablement is aligned to the city Vision and strategic outcomes, making Digital by Design a reality. • To set the priorities and delivery order for work being done by IDS. • To build Digital Roadmaps, in partnership with our stakeholders that represent the future direction of the Region, City Health Partnership and the council. • To support the ethos that we make things easier / cheaper / faster for citizen to deal with us and for staff to provide services to citizens. The way in which we deliver this principle is by linking our work to the needs of customers and delivering services that are high impact and value-adding. • There is a documented Terms of reference for the Digital Board.
• Procurement Approval Meeting	• To review contract renewals / procurements ensuring that all options have been considered prior to awarding external contracts and ensuring Value for Money
• Resource Management Meeting	• To effectively plan IDS resourcing to ensure adequate staffing levels with the appropriate technical skills are in place in a timely manner • To work with Service Managers to understand future required technical skills and then plan to have these in place within the service. • To assess whether offshoring or outsourcing of skills to augment the IDS team is appropriate.

• Design Authority	• The Design Authority is comprised of technical roles within IDS and meets weekly. Its function is to review technical papers to ensure design principles are followed and align to the technical roadmap. • The Design Authority is Chaired by the Chief Technical Officer. • There is a documented terms of reference for the Design Authority.
• Change Advisory Board	• The Change Advisory Board is a group of people who run formal CAB meetings to assess, prioritize, authorize, and schedule changes as part of the change control process. Review changes prior to the meeting. Assess and recommend the approval or rejection of proposed changes in a timely manner. • The Change Advisory Board is chaired by the Head of Cloud & Platforms.
• IM & G	• Please see separate report on this agenda Annual Information Governance Report, including the Annual Report of the Caldicott Guardian
Governance Bodies – Service	**Responsibility**
• Corporate Leadership Team	• The Corporate Leadership Team (CLT) are responsible for ensuring that IDS have robust and aligned service plans to ensure each Directorates digital ambition can be delivered. CLT members attend Digital Board and use this as the forum to set the strategic direction for the Digital Board, ensuring Digital enablement is aligned to the city Vision and strategic outcomes, making Digital by Design a reality.
• IDS SLT	• The IDS Senior Leadership Team meet every week and have a set agenda which includes a monthly financial review, a review of service performance and a Cyber update.
• Programme & Project Boards	• Each major programme and project have their own Board to oversee delivery, manage risks, budget, quality and timeframes.
Democratic Oversight:	**Responsibility**
• Executive Member	• The Executive Member aligned to IDS is regularly briefed by the CDIO on key decisions and the Digital Strategic direction. The Executive Member is responsible for ensuring IDS plans are scrutinised and approved prior to commencement of work.
• Scrutiny Board	• Scrutiny Boards ensure that IDS is given appropriate consideration within their areas of responsibility and can also bring potential issues to the attention of the appropriate Director.

• CGAC	• The Corporate Governance and Audit Committee is responsible for reviewing the adequacy of the council's governance arrangements, including IDS. The Committee receives an annual assurance report on IDS management arrangements from the Director of Resources and uses this to monitor, review and scrutinise these arrangements and their implementation.

Clearly Communicate

4. **Training and Guidance**

Training	Guidance
• We have a Digital Academy which focusses both on the skills of employees and digital inclusion • A digitally skilled and confident workforce, who see the opportunities to use digital to transform services, advocate for the application of digital in a range of contexts, and effectively use digital tools and technology to improve service delivery. IDS offer a blended learning programme for line of business and corporate applications. • This is a combination of self service and tutor led. • eLearning package tools are used to measure understanding throughout the learning journey. • Through evaluation, IDS will determine if a curriculum is achieving the intended outcome, and if the materials and resources used are aligned with and meet learner needs. • Workforce digital skills development is prioritised and will be delivered in-house by the Digital Academy and/or external partners. • Training Needs Analysis (TNA) techniques are employed at organisational, team and individual level. • A digitally included and motivated population, who can use digital to transform their lives, apply digital in a range of contexts, and effectively use digital tools, technology, and services to increase their independence, make informed choices and achieve personal goals. The Digital Academy aim to achieve this through:	• Guidance and supporting materials are made accessible to all learners via the Bubo help-site. • The digital inclusion team within the Digital Academy have been fundamental in developing a national digital inclusion toolkit with both Age Concern and other local authorities Home | Digital Inclusion Toolkit (digitalinclusionkit.org) • We provide guidance to our staff on corporate policies via regular IDS bulletins • We have a dedicated Marketing and Communications officer who is setting the communication strategy for the service going forward to ensure all staff receive the information they need to follow all policies and procedures.

- Building a coordinated and connected digital inclusion ecosystem across Leeds. - Increasing the capacity of organisations across the city to deliver digital inclusion in a sustainable way - Implementing interventions in response to community need. - Increasing awareness and understanding of the digital inclusion agenda and influence systems-level change across the city - This will ensure better digital access to support people's independence and ability to make informed choices, enhance service offers and improve efficiencies, and enable the delivery of council, city, and regional priorities and strategies. - All staff undertake mandatory corporate learning on such things as Information Management and Equality Diversity and Inclusion	

5. **Leadership**

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

Effectively Embed

Establish Expectation ▸ Facilitate Compliance ▸ Observe Outcomes

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

7. Directorate Digital Road maps
   Managed by Digital Change Product Management taking into account the following:

PRODUCT ROADMAPS / LIFE CYCLE

- Strategy and Innovation
- Business / Service Roadmaps
- IDS / Technology Roadmaps
- 3rd Party Supplier Roadmaps (including Contract Management)
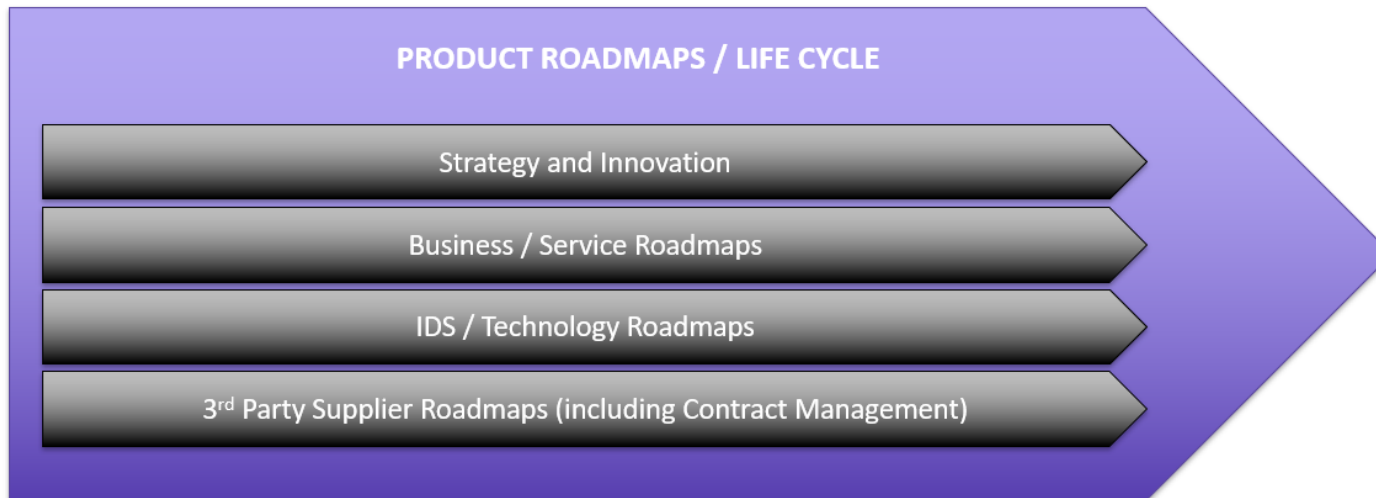
8. Identified work streams –

IDS workstream mainly consist of the following - –

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

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

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

9. Daptiv – this is the tool used by the IDS Portfolio Management Office (PMO) to plan and track delivery of all work being undertaken across IDS. It manages all IDS resources and is used to understand capacity, availability and demand management.

10. There are various Funding streams within IDS, overall operational budget for staffing, Essential Service Programme and Application Rationalisation. The ESP/App programme is a capital programme which is reviewed each year. Both programmes of work are reported to Digital Board and a new governance board comprised of representatives from IDS and Internal Audit has been established to oversee the schemes.

11. Risks – IDS manage a small number of corporate risks, and in addition manage risks on each project and health check each project on an ongoing basis and produce RAG (Red Amber Green) status updates. Health checks take into account Risks, Issues, Budget, Scope, Resources and Schedule.

12. Procurement – Corporate Procurement Rules (CPRs) are followed when undertaking the procurement of services and solutions.1

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

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

Meaningfully Monitor

14. The IDS Service Centre produces monthly reporting, which is reviewed at the IDS SLT meeting, this reviews performance against the key performance indicators measured in the Service Centre. These are answer 70% of calls within 30 seconds, answer 93% of all calls offered, resolve 70% of calls at first line. If the reporting demonstrates poor performance against the KPI's the IDS SLT instigate a service improvement plan to ensure KPI's are met.

15. A report is produced Quarterly titled LCC 15 - ICT Major Systems Failure which is reviewed at SLT and CLT. This report focusses on two risks; Ensure ICT resources are effectively managed by SLT, Improve Forecast of Resource Planning. It is used to track IDS performance against both risks.

16. The ISaAC Board monitors the degree to which LCC complies with its own security policies, current national standards for compliance and best practice using statistics and descriptive narrative generated by Operational Services' Service Centre (to guide current and future development work). It also produces the PSN work programme to ensure the work required to successfully achieve the PSN Code of Connection is complete in time.

17. The 2022 PSN Code of Connection was submitted 27th September 2022 and a new PSN Connection Compliance certificate was issued 14th October 2022. The authority is now working on submitting Cyber Essentials certification.

18. Non-compliance with PSN standards could leave the Council vulnerable to the following risks:
    a. The Head of the PSN could inform the Department of Works and Pensions of our non-compliance. Continued non-compliance could culminate in denial of access to Revenues and Benefits data.
    b. The Head of PSN could inform the ICO, which could culminate in the revisiting of the audit conducted by the ICO in 2013 to ensure compliance against the Data Protection Act / GDPR.
    c. The Head of PSN could inform the Deputy National Security advisor to the Prime Minister, who would in turn conduct an assessment based on the national risk profile.
    d. The Head of PSN could instigate an external audit of all our security systems by the National Cyber Security Centre. The Council could end up under partial commissioner control.
    e. Ultimately, the Head of PSN could instigate a complete 'switch off' from PSN services

19. PSN certification is relied upon as an assurance mechanism to support information sharing, where many of the requirements request that the council present a certificate prior to sharing, or evidence alternative, more time consuming, compliance work to be completed.

20. Without a PSN certificate, there is significant risk to the council's National reputation as a Digital Innovator.

21. In terms of the monitoring of the IDS Portfolio, the PMO has established an independent Assurance function that will monitor and report on the status of major programmes and projects. Reporting will be into IDS, the relevant programme / project board and the Digital Board.

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

Review and Refine

## Adequacy and Resilience of Internal Controls

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

Survey of Internal Control

24. The survey of internal control asked operational managers to rate how well the council's internal control arrangements are embedded. The survey included a question about arrangements for governance of integrated digital services including
- obtaining advice and guidance, and

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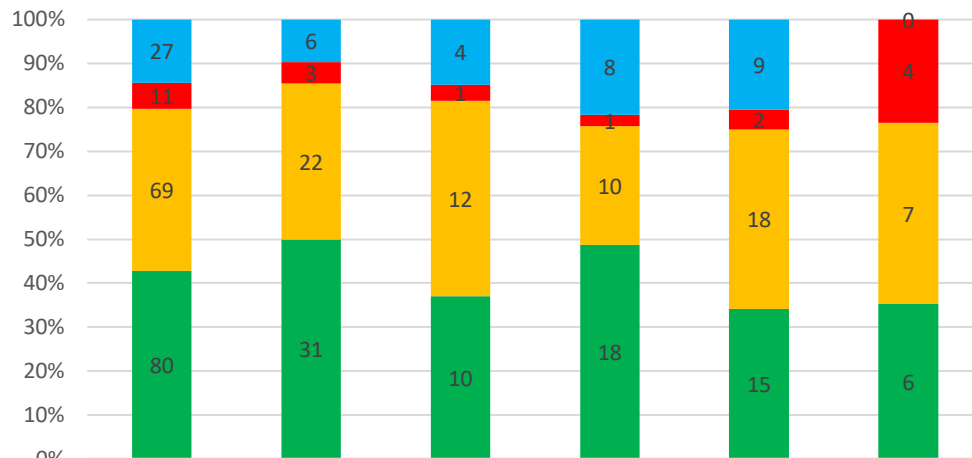
	Total	Resources	City Development	Communities, Housing and Environment	Adults and Health	Children and Families
■ Don't Know	27	6	4	8	9	0
■ Not embedded	11	3	1	1	2	4
■ Fairly Embedded	69	22	12	10	18	7
■ Well embedded	80	31	10	18	15	6

- arrangements for liaison with Chief Digital and Information Officer in respect of decisions relating to use of digital technology.

25.   Overall results are encouraging with 43% respondents indicating arrangements are well embedded, and a further 37% judging arrangements to be fairly embedded. Only 20% of respondents indicated that arrangements are either not embedded or that they do not know.

Learning from the survey

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

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

28.   It was perceived that risks were not properly being identified with IDS and communicated. As explained elsewhere in this report risks are reported quarterly on two specific risks. However more granular risk reporting may be appropriate.

29. Comments were made that the way information on new services and technologies being deployed was drip fed and that Insite toolkits were out of date, this will need picking up with Digital Change to ensure deployments of products and new technologies is improved to ensure the business are aware of new developments and have the knowledge and training to use them effectively.

30. It was identified that the relationship between the Business and IDS is too distant and needs improving to make the interface better. Work is underway on the new IDS structure which includes the Digital Change team which will work closely with the business to ensure they have the right support to achieve their digital ambitions.

31. It was also mentioned that IDS struggles with capacity and therefore is unable to achieve the outcomes required by business areas. This is recognised and is being addresses through augmenting IDS teams with technology partners in specific areas (PowerApps, Robotic Process Automation) and though offshoring to bring in technical staff to support teams.

Statement of Assurance

32. Having undertaken the review of the system of internal control for Integrated Digital Services outlined in this statement the Director of Resources is satisfied that the arrangements are up to date and fit for purpose, that they are communicated and embedded and that they are routinely complied with.

33. The Chief Digital & Information Officer has identified the following opportunities for enhancement of the system of internal control for decision making and will implement these over the course of the 2023/24 municipal year.

Opportunities for improvement

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