



CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Monday, 25th November, 2024
at 10.30 am

MEMBERSHIP

Councillors

J Dowson	C Hart-Brooke	M Robinson	R Chesterfield
M France-Mir (Chair)			
J Garvani			
I Wilson			
K Bruce			

Independent Member

L Wild

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

Debbie Oldham

A G E N D A

Item No	Ward	Item Not Open		Page No
1			<p>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 23RD SEPTEMBER 2024</p> <p>To receive the minutes of the previous meeting held on 23rd September 2024, for approval as a correct record.</p>	7 - 20
7			<p>MATTERS ARISING FROM THE MINUTES</p>	
8			<p>GRANT THORNTON - RECEIPT OF EXTERNAL AUDITORS ANNUAL REPORT INCLUDING 2023/24 VALUE FOR MONEY</p> <p>The report of the Interim Assistant Chief Executive, Finance, Traded and Resources presents Grant Thornton's Interim Auditor's Annual Report on Leeds City Council for 2023/24.</p>	21 - 24
9			<p>GRANT THORNTON - RECEIPT OF EXTERNAL AUDITORS I.T. REPORT 2023/24</p> <p>The report of the Chief Finance Officer presents Grant Thornton's IT Audit Report for the 2023/24 financial year, which is attached as Appendix 1. The IT Audit Report is undertaken in support of the audit of the financial statements and covers the control environment for the Council's main financial systems.</p>	25 - 46

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10			<p>ANNUAL REPORT ON FINANCIAL PLANNING AND MANAGEMENT ARRANGEMENTS</p> <p>The annual report of the Interim Assistant Chief Executive Finance, Traded and Resources sets out the standing arrangements for financial management and treasury management within the Council and provides evidence of compliance over the reporting period from November 2023 to October 2024.</p>	47 - 52
11			<p>ANNUAL ASSURANCE REPORT ON CORPORATE PERFORMANCE MANAGEMENT ARRANGEMENTS</p> <p>This report presents assurances to the Corporate Governance & Audit Committee on the effectiveness of the Council's corporate performance management arrangements.</p>	53 - 74
12			<p>ANNUAL ASSURANCE REPORT ON CORPORATE RISK AND RESILIENCE ARRANGEMENTS</p> <p>This report provides the Corporate Governance & Audit Committee with assurances relating to the adequacy of the risk and resilience controls currently in place in the council; that they are up to date, fit for purpose, embedded and routinely applied.</p>	75 - 114
13			<p>COUNTER FRAUD UPDATE REPORT APRIL - SEPTEMBER 2024</p> <p>The report of the Senior Head of Audit, Corporate Governance and Insurance provides a source of assurance that the internal control environment is operating as intended through a summary of the counter fraud activity for the period from April to September 2024.</p>	115 - 118

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14			<p>CORPORATE GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME AND MEMBER DEVELOPMENT PLAN</p> <p>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.</p>	119 - 134
15			<p>DATE AND TIME OF NEXT MEETING</p> <p>To note that the next meeting will be Monday 24th February 2025, at 10.30am.</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, 23rd September, 2024

PRESENT: Councillor M France-Mir in the Chair
Councillors J Dowson, M Robinson,
K Bruce, R Chesterfield and J Garvani

INDEPENDENT MEMBER: L Wild

30 Appeals Against Refusal of Inspection of Documents

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

31 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

32 Late Items

There were no formal late items. However, there was supplementary information circulated with the agenda in relation to Agenda Item 12 - Approval of the 2022/23 Statement of Accounts and Grant Thornton Audit Report.

33 Declaration of Interests

No declarations of interests were made at the meeting.

34 Apologies for Absence

Apologies for absence were received from Cllrs Wilson and Hart-Brooke.

35 Minutes of the Previous Meeting - 29th July 2024

RESOLVED – To approve the minutes of the meeting held on 29th July 2024, as a correct record.

36 Matters Arising From The Minutes

In relation to meeting held on 18th March 2024, Minute 80 - Annual assurance report in relation to employment policies and employee conduct.

Members had requested more information on benchmarking, and this was distributed to Members on 30th July 2024.

In relation to minute 27 - Governance Arrangements to Support Delivery of the Core Business Transformation Programme.

Members had requested further information in relation to governance arrangements and this was distributed to Members on 22nd August 2024.

37 Annual Assurance Report on Procurement Policies and Practices

The annual report of the Head of Procurement and Commercial Services provided the Committee, with information in relation to the Council's procurement function, and provided assurances that the Council's

arrangements are up to date, fit for purpose, effectively communicated, and routinely complied with.

The Head of Procurement and Commercial Service presented the report and highlighted the following points:

- The Council's procurement arrangements are being reviewed to ensure that they are fit for purpose in the context of the Procurement Act 2023. Members were informed that since the publishing of the agenda, the Government had pushed back on the date for implementation of the new legislation until 24th February 2025.
- It was noted that key points had been provided in Paragraph 4 of the submitted report.
- Appendix A of the report was highlighted setting out the Council's processes for procurement.
- Members noted that as part of the Core Business Transformation programme work was ongoing in relation to 'Source to Contract Review'. As part of this a review of the Council's Contract Procedure Rules would be undertaken to look at simplifying them and take into consideration the new legislation in the Procurement Act 2023.

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

- It was noted that as part of the procurement activity, social value is considered there is a requirement that all the Council's contracts identify opportunities for social value. The focus is on support that can be provided by the service and is focused on contracts above £100,000, this is due to the amount of resource available. The service specifically looks at social value commitments from bidders and these are evaluated. If the commitments are not delivered the service does have the ability to go back and have conversations about why they have not been provided and look at other areas of social value that could be provided. Should social value not be delivered as promised the service can take a financial deduction from the contract to the value of the social value commitments made. It was noted that with contracts under £100,000 it was more difficult as the service has limited resources, but there is still a requirement for those contacts to consider social value as part of the Contract Procedure Rules. The submitted report had provided a snapshot of the level of social value put through by the service in the last 12-18 months. The Committee were informed that in the last 10 years the service has regularly reported on spend with local businesses and SMEs. It was noted that the spend for this had gone up marginally and was relatively strong in comparison to other authorities. The Committee acknowledged that 124 contracts was only a small number of the several thousand contracts that the Council has, and it was only those valued above £100,000.
- Clarification was provided to the Committee on a 'Standstill Letter'.
- The Committee acknowledged that the procurement service had done well to have 15 years with no formal legal challenges.
- Members noted that the development of an app solution for low value procurements would not be impacted by the change of date for the new

legislation and the service would continue to progress this. However, they would not undertake the review of the Contract Procedure Rules until the legislation is brought in.

- The service can do more in relation to SMEs and already engage with anchor organisations in the city and the voluntary sector. It was recognised that the Council's documentation was complex, not only for organisations outside the Council but also for Council officers, so this was being reviewed to make it simpler, this will also make it simpler for SMEs to bid for contracts.
- Members were informed that payments for small businesses was completed in 30 days, and this is reported on.
- It was noted that monitoring for procurement is undertaken by the Internal Audit team and there were discussions in progress in relation to the new systems and legislation and these will be taken into consideration going forward.

RESOLVED – To:

- a) Consider and note the assurances provided in this report from the review, assessment and on-going monitoring carried out;
- b) Note that the Head of Procurement and Commercial Services has reached the opinion that procurement policies and practices are up to date, fit for purpose, and effectively communicated; and
- c) Note the ongoing Source to Contract Review and endorse the proposed approach to amendment of the Contracts Procedure Rules.

38 Annual Assurance Reporting on Planning Regulation and Enforcement Arrangements

The annual assurance report of the Chief Planning Officer provided assurances in relation to planning decision making and enforcement arrangements as required by the Corporate Governance and Audit Committee.

The Chief Planning Officer presented the report and highlighted the following points:

- The first part of the report set out the policy and procedural aspects in relation to planning and described the framework for decision-making. Leeds has in place up to date and adopted development plans which enables the Council to make decisions in accordance with those plans. There is a live programme of updating the plans which are already underway.
- The report clarifies the process of approval through the Chief Officer delegation scheme and the sub-delegation scheme. The delegation schemes are constantly reviewed to ensure there are clear lines of responsibility and changes to legislation.
- The report also provided information on the Plans Panels decision making process and the defined categories for applications to be referred to Plans Panels. It was noted that the service receives over 7,000 applications per annum, with officers making 99% of all decisions.

- Paragraph 8 of the report sets out the planning enforcement process as set out in the Local Enforcement Plan, which has a range of measures and interventions which seeks to be proportionate in taking enforcement activity.
- The democratic oversight is provided through a comprehensive list of Member briefings, panels, boards, information provision as well as oversight from the Council's Corporate Leadership Team. There is also officer and Member training and learning materials in line with service systems and protocols.
- Paragraph 22 of the report set out the services commitment to continuously improve and streamline the service to respond to the Council's challenging budget position. A number of business improvements have been made to the management of third-party comments, Consultee Access for parish and town councils, Public Speaking Protocol at plans panels.
- Members were informed that the overall number of complaints had reduced, and the number complaints had decreased.
- Paragraph 32 of the report provided information on performance and monitoring across the service.
- The report also highlighted changes made to the service in relation to planning reform, budget pressures and resourcing levels.
- It was noted that application levels had dropped to pre-pandemic levels, but performance management remained challenging due to changes of planning reform and resourcing. Members were advised that enforcement action was a priority for the service and Leeds takes more action than comparable core cities. However, the number of cases received remains high.
- Paragraph 47 of the report set out opportunities for enhancement of the systems of internal control for development management and enforcement activity to be implemented over 2024/25.

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

- The service is moving forward with procedures and protocols in relation to safety of Members and officers at Plans Panels and this should be available within the month. Members were provided with examples of issues at Plans Panels in recent months which had highlighted the need for this type of awareness training. The Chair provided her observations at the Plans Panel she sits on and the behaviours of members of the public using threatening behaviour towards officers and said that she would not support that type of behaviour and that it should be taken seriously for everybody. She supported the efforts and measures being put in place for the security of officers and Members.
- It was recognised that this issue of safety was not just limited to meetings held within Civic Hall but also to meetings held outside particularly with Members who are out in the community and interacting with individuals.

- In relation to enforcement the service was trying to ensure a consistent approach to communications on the local enforcement plan and was key to the overall framework that the service works to. It was acknowledged that when planning legislation changes this can affect the measures for permitted development and the cases are often historical. One of the improvements listed was around clearly communicating changes to planning legislation and there will be Member training on this aspect. The service will also be looking at using various ways to communicate this to the public. It was noted that there are two teams of enforcement in the service dealing with different areas in the city and there is close collaboration between the team leaders with case officers sharing experience of cases at team meetings on a regular basis. Cllr Robinson said that whenever he has had to have dealings with the officers, they have always been hardworking and diligent and when there has been behaviour that has been untoward it has been handled in a professional manner.
- In relation to Houses of Multiple Occupancy (HMOs) it was noted that information would be provided to Members on the policy criteria set out in the Core Strategy. Members requested statistics and instructions around the Council's policy in relation to HMOs. It was noted that there is information on the Leeds City Council website in relation to HMOs.

RESOLVED - To consider and note the positive assurances provided in this report and future steps to provide additional assurance in the process.

39 Internal Audit Update Report

The report of the Chief Officer Financial Services provided a source of assurance that the internal control environment was operating as intended through a summary of the Internal Audit work since the last update report was provided to the Committee in June 2024.

The report was presented by Head of Finance, Internal Audit and highlighted the following points:

- This was the first report since introducing the more flexible approach to planning, and it was noted that it looked different to previous reports. The report had also incorporated feedback provided by the Committee.
- The report highlighted the work completed in the period and the work to be completed in the next period. There were tables in the report to show the assurance themes that the work covers, along with the links the work has to corporate risks. It was noted that any gaps identified in the tables will be considered and reviewed as part of the continuous audit planning process.
- The recommendation tracking process showed that 90% of open recommendations were either not due or less than 3 months overdue. For recommendations that were more than 3 months overdue the service had confirmed they were in progress and the reason for the delay was due to a lack of resources.
- The service continues to receive positive feedback from the CSQ process.

- The Quality Assurance Improvement programme was included in the report, which set out an action for a self-assessment to be undertaken against the new standards, to ensure still compliant. It was noted that the service is still waiting for the standards to come out for consultation. In the meantime, the service had undertaken a SWOT analysis exercise which was being finalised and an action plan will be agreed and reported on in a future update report.
- Appendix C was highlighted which provided information in relation to urgent decisions and confirmed that KPIs were being met. It was noted that 3 decisions had been taken under urgent provisions and in all 3 cases they were treated within the relevant procedure rule.

In response to questions the following information was provided:

- It was noted that going forward dates will be added to the Quality Assurance and Improvement Plan.
- Clarification was provided to the term 'some payments' on page 84 of the agenda pack and this was in relation to no recourse to public funds, which are used to assist families in need. It was noted that the actual numbers were not available at the meeting but could be provided to Members.
- In relation to the table on page 82 of the agenda pack and in reference to Lotherton Hall it was explained that complexities had been noted because different systems are being used. The Council is looking to rationalise applications across the Council to mitigate this issue.
- Cllr Dowson commented on the number of grants and grant schemes that the Council has. It was acknowledged how much time the team must spend applying for these grants and reviewing them. It was noted that the process had been streamlined as much as possible but where it does require sign off by the Chief Finance Officer or the Head of Audit there is no choice as to whether to undertake the work. Discussions with Government as part of the Spending Review is looking to see if some of the funding sources can be amalgamated.

RESOLVED – To:

- a) receive the Internal Audit Update Report for September 2024 and note the work undertaken across the section 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 April to August 2024.

40 Mid-Year Update of the Information Commissioners Office Action Plan

This report presented the Information Commissioner's Office (ICO) Audit Action Plan progress update, prior to the ICO returning to review progress in December 2024.

The report was presented by the Head of Information Management and Governance who provided the following information:

- The report presented the Information Commissioner's Office (ICO) audit action plan progress to date, prior to the ICO returning in December to review progress.
- As at the 13th September of the 50 recommendations 22% of the actions have been completed, 69% are in progress and 9% are still to be started. It was noted that 1 action was overdue but was going through its approval process and consideration had been given to the potential effect on other actions.
- Members were informed that the ICO had applied a priority rating to the recommendations, with many of the recommendations requiring large scale work.
- Many of the actions were linked by themes, with an example given that one document could address in the region of four or five actions.
- The Committee noted that the ICO had been made aware that the service will be continuing to implement 4 of the recommendations into 2025. These are in relation to large scale actions that the service would be unable to robustly implement with existing technology and with the scale of the Council. Members will be kept up date on progress through the annual report.
- Since the report was submitted there had been developments that will affect actions relating to managing personal data breaches. The team is due to make the process more efficient using Microsoft Power Apps. Unfortunately works surrounding the Council's Public Services Network (PSN) certificate meant the development of the data breach power app was paused. Therefore, the service has had to consider meeting 5 actions by alternative means. It was noted that the service has now been advised that it should be able to restart the power app work. However, it was unlikely that this will be fully completed by the start of December. It was the view that the service required the best system that it could get and had made the ICO aware that some actions could be delayed.
- The Head of Information Management and Governance gave his assurance that every single action had been reviewed and that other than those already mentioned within the report which will be implemented going into 2025, all other actions are on track to be completed before the ICO undertake their review in December 2024.
- It was noted that the ICO will either sign off the action plan work, noting the work to do going forward, or they may review again in 6 months. It was stated that Members will be provided with an update on the action plan in February 2025.

Discussions included:

- Issues relating to what was required to achieve the recommendations set out by the ICO.

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- It was noted that measures and plans are in place to try and mitigate major incidents occurring along with response and recovery plans should a major incident take place.
- The Committee noted that the action plan was key, with service level spot checks auditing which is part of the recommendations. From a top level there are improvements to be made to the Information Governance Framework in relation to processes and procedures. The Service knows that it needs to close the loop with the Assurance Framework with an end result that the Council should have an Information Governance and Assurance Framework for continuous improvement. For future reports it is the proposal that the Committee will receive the assessment and ongoing action plan and improvements. Members were advised that as part of the recommendation it was to review the need for external audit, and this may happen every 3 to 5 years to ensure that the Assurance Framework is robust.

RESOLVED – To note the good progress made towards completing the action plan prior to the ICO review in December 2024, noting the completed actions to date and the actions due for future completion.

41 Receipt and Approval of Audited Accounts and External Auditors Report for 2022-23

The report of the Chief Finance Officer presented the audit report of the Council's external auditors on the 2022/23 accounts. An updated copy of the Statement of Accounts was published and sent to Members of the Committee as supplementary information.

The Committee were provided with the following information:

- The 2022/23 Statement of Accounts were originally approved in draft form in July 2023. At that stage the 2021/22 audit was still ongoing. Therefore, the final 2022/23 accounts have been updated to include the final version of the 2021/22 audited figures. The 2022/23 figures had been updated for consequential changes to asset valuations, they had also been updated for a small number of asset valuations that had arrived too late to be included in the original 2022/23 accounts and a small number of corrections to asset valuations. It was noted that these represented the biggest changes in terms of value from the original draft accounts but do affect spendable reserves.
- There had been two corrections affecting spendable reserves which included increasing revenue reserves by £5.6m and decreasing usable capital reserves by £6m.
- Since the accounts were circulated to the Committee there had been a small number of rounding errors in the explanatory tables which have been corrected and a small number of typographical errors in the narrative notes.
- Members' attention was drawn to Appendix 1 – The Management Letter. Grant Thornton request this prior to them signing off on the audit of accounts. It was confirmed that officers were satisfied that the

contents of the letter were correct and that it can be signed on behalf of the Council.

Grant Thornton presented their ISA 260 report and highlighted the following points:

- The 2021/22 accounts were signed off in March 2024 and following that the external auditors and the Council's finance officers started on the 2022/23 accounts audit.
- The Committee were informed of the increased level of engagement and increased quality of accompanying working papers and timeliness of responses from finance officers. It was recognised that this increased level of timeliness etc needed to be maintained as Grant Thornton move into the 2023/24 accounts audit in October with a view to concluding that before the national backstop of February 2025.
- It was noted that work had progressed in relation to several areas which had been set out in the report as outstanding as at the date the Committee papers were published, with some areas completed.
- The Committee were informed that Grant Thornton was expecting to be able to issue a clean unqualified opinion within the next week.
- In relation to the Value for Money work which came to the Committee in November 2023, Grant Thornton had raised two key recommendations around transformational plans and a balanced budget and sustainability on financial savings and sustainability. With a key point around the accounts audit process. The Committee were advised that the 2023/24 Value for Money work was nearing completion and will be coming to the November meeting of the Committee.

Comments included:

- The Committee were pleased with the work over the last 6 months to reach this point. It was recognised that there were pressures on both officers and the auditors to reach the deadline dates, with both committed to maintaining levels of engagement and quality of documents and responses.
- The Committee acknowledged the challenges faced by officers with new systems being implemented and the budget setting during the period heading towards the February audit backstop date. The Committee requested that they be kept informed of any issues arising.
- It was recognised the work and effort that had been undertaken to get the audit to the position it is, and it was noted by the Committee that the Financial Services were to do a lesson learned report. The team would be project managing the audit to ensure that the accounts were ready in time for the February backstop date.
- It was noted that the backstop date for the 2024/25 accounts would be February 2026.

The Chair thanked all the finance officers and Grant Thornton staff for all the work that had been achieved to get this point on behalf of the Committee. She also thanked Gareth Mills of Grant Thornton for the support he has given to

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the Council and the Committee over the last 5 years and wished him well for the future as he takes on another role.

RESOLVED – To:

- a) Receive the audit report of the Council's external auditors on the 2022/23 accounts and to note that there are expected to be no unadjusted audit differences to the accounts.
- b) Consider the updated 2022/23 Statement of Accounts, and to approve these as the Council's final audited accounts for the year. The Committee is further asked to authorise the Chair to acknowledge this approval on behalf of the Committee by signing the appropriate section within the Statement of Responsibilities on page 1 of the accounts; and
- c) On the basis of the assurances received, the Chair is asked to sign the management representation letter on behalf of the Corporate Governance and Audit Committee.

Councillor Dowson left the meeting at 11:55 at the end of this item.

42 Grant Thornton - Receipt of External Audit Plan 2023-24

The report of the Chief Finance Officer presented Grant Thornton's Annual Audit Plan for their 2023/24 audit, covering the audit of the Council's accounts and the process for assessing its arrangements to secure value for money in the use of resources. The Audit Plan was attached as Appendix 1 and outlined Grant Thornton's proposed audit approach, the timing of audit work, and the significant audit risks identified to date.

The Committee were informed of the following points:

- This report set out the programme of work in developing the audit plan. Account had been taken in what is happening, not only in a national context which impact on local government with increasing and ongoing cost pressures, increasing demand for services especially in adult and children's social care but also other local factors which affect Leeds.
- It was the view that for 2023/24 the Council will deliver a balanced year end position after using reserves of £5.2m and a refund from West Yorkshire Combined Authority.
- The work will start on the 2023/24 audit once work has completed on 2022/23, so work will be starting in October 2024, with field work finished by the end of January 2025. If able to deliver within this timeframe it would put Leeds back onto a normal timeline for 2024/25.
- Members attention was drawn to page 7 of the audit plan which set out the key headlines. Two specific areas relating to Leeds were the valuation of land and buildings and the net pension fund balance.
- In relation to materiality this has been determined at this stage to be £28.4m based on the 2022/23 accounts, this will be reassessed at the start of the 2023/24 audit. Grant Thornton have set clearly 'trivial' which is an amount above which they would report any errors or adjustments to the audit committee at £1.4m, which is the same as last year.
- In relation to value for money work is progressing well, with the draft report issued to officers in September. Two key risk areas have been

identified as part of the planning processes. They are the financial pressures faced by the Council and the ability to deliver services and around financial sustainability in terms of the increasing MTFS budget gap with the in year overspends and the low levels of reserves the Council has.

In response to a question the Committee were provided with the following information:

- It was noted that with the limited resources available in the finance team and limited resources at Grant Thornton, there had been no opportunity to start work earlier. The aim is to close the audit for 2022/23 and then move all resources to the 2023/24 audit. The Committee were informed that Grant Thornton has other authority audits where work is still ongoing and they were trying to balance the resources that they have.

RESOLVED - To receive the Annual Audit Plan presented by Grant Thornton and to note and agree the nature and scope of the proposed audit work.

43 Approval of Annual Governance Statement 2024

The report of the Chief Officer Financial Services presented the final draft of the Annual Governance Statement which was submitted to the Committee for review.

The Committee were provided with the following information:

- The Committee received the draft report in July prior to public deposit.
- The report presents the final draft. It was noted that there were no comments from the public during the period of public deposit, but comment was received from Grant Thornton who requested that their recommendations from the Value for Money report presented at the November 2023 meeting be included in the Annual Governance Report, which has been done.
- The Annual Governance Statement is a living document which is constantly open for additions and amendments up until the date the accounts are finalised, which should be February and then the Annual Governance Statement can be signed off.

Responding to a question from the Committee the following information was provided:

- This document could mention that the 2022/23 accounts audit commenced in April 2024 and would be signed off at the end of September, to demonstrate that the accounts were completed within a 6 month period.

RESOLVED – To:

- a) Consider the final draft of Annual Governance Statement 2024.
- b) Note that the Annual Governance Statement is a live document and is open to alteration up to the point when the Council's accounts are received at Committee for the period the Annual Governance Statement covers; and

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c) When the Council's accounts are received at Committee for the period of the Annual Governance Statement, the Committee will receive an addendum detailing any significant changes to the Statement.

44 Recruitment of a Second Independent Member to Committee

The Chair advised the Committee that Linda Wild, the independent member would remain in the room for the next item but would not be taking part in the discussions.

This report of the Senior Head of Internal Audit, Corporate Governance, and Insurance provided the Committee with details of the guidance provided by Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committees: Practical Guidance for Local Authorities and Police 2022 that it is best practice for Audit Committee's to have at least two independent members.

This report provided the Committee with details of the guidance and the outcome of benchmarking of the composition of audit committees in Leeds, the core cities, and other West Yorkshire Local Authorities, so that the committee can consider their response.

It was noted that Linda Wild had been invited to sit for a second term of 4 years on the Committee.

Comments on the report included:

- The Committee were of the view that Linda as the independent member to the Committee had provided expertise, and insight which had proved valuable to the Committee.
- Clarification was given in relation to the recruitment process of independent members.
- It was suggested that the recruitment of a second member for the Committee should be reviewed annually.

RESOLVED – To:

- a) Note the assurances and comparative information provided in this report, and the important role that independent members have on audit committees.
- b) Recommend that Linda Wild is appointed for a second term of four years from 24th February 2025 to 23rd February 2029.
- c) Note the recommendation to delay any proposal to recruit an additional independent member in the immediate future and the proposal to review the position in twelve months.

45 Work Programme and Member Development Plan

This report presented the work programme for the Corporate Governance and Audit Committee for the 2024-25 municipal year, setting out future business for the Committee's agenda, together with details of when items will be

Draft minutes to be approved at the meeting
to be held on Monday, 25th November, 2024

presented. The report also included the Member Development Plan for 2024-25.

Members were informed of the following:

- It was noted there had been no significant changes to the work programme.
- In relation to the development plan:
 - The Cyber Sentinel was sent out to all Members on 3rd September.
 - And following up from the offer from the Deputy Chief Digital and Information Officer a session for all Members on Leeds's cyber security arrangements that has been included in the development programme for January 2025 in time for the annual assurance report from IDS.

RESOLVED – To:

- a) consider and note the contents of the work programme and meeting dates at Appendix A, and
- b) note the content of the Member development plan at Appendix B and progress against the plan throughout the year.

46 Date and Time of Next Meeting

RESOLVED – To note the next meeting will be on Monday 25th November 2024 at 10.30am.

The meeting concluded at 12:10

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Grant Thornton Annual Report 2023/24

Date: 25th November 2024

Report of: Interim Assistant Chief Executive, Finance, Traded and Resources

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This covering report presents Grant Thornton's Interim Auditor's Annual Report on Leeds City Council for 2023/24.

The Annual Report gives the audit findings relating to the Council's value for money arrangements. The report does not identify any statutory recommendations, but it does make a number of key recommendations and a number of other recommendations for improvement.

The Annual Report is attached as Appendix 1.

Recommendations

- a) Members are asked to receive the Annual Auditor's Report presented by Grant Thornton and to note the recommendations which have been made.

What is this report about?

- 1 This report presents Grant Thornton's Annual Auditor's Report for 2023/24.
- 2 The Annual Report gives the outcome of the audit of the Council's value for money arrangements. The report does not identify any statutory recommendations, but it does make a number of key recommendations and a number of lower priority recommendations for improvement. The responses from officers to these recommendations are included in the report.

What impact will this proposal have?

- 3 The report outlines the conclusions from Grant Thornton's value for money audit work for 2023/24 and identifies some recommendations in relation to the Council's arrangements.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 4 The reports relate to the council's underlying financial governance arrangements rather than to the delivery of any specific services.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

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

What are the resource implications?

- 6 Grant Thornton's Annual Report outlines the results of their audit work to assess whether during 2023/24 the Council had in place proper arrangements for securing value for money.

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

- 7 The Annual Report covers Grant Thornton's findings on the risks to the council's financial standing and on the arrangements which are in place to mitigate and manage those risks.

What are the legal implications?

- 8 The Annual Auditor's Report outlines how Grant Thornton have discharge their responsibilities as defined by in 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?

- 9 The report is a retrospective one, which presents findings from Grant Thornton's 2023/24 audit work.

How will success be measured?

10 Grant Thornton will provide an update on the recommendations made in the report during their 2024/25 audit.

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

11 Those recommendations which have not yet been implemented will be addressed by officers over the coming months.

Appendices

- Appendix 1 is Grant Thornton's Annual Auditor's Report for 2023/24.

Background papers

- None

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Grant Thornton IT Audit Report 2023/24

Date: 25th November 2024

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 covering report presents Grant Thornton's IT Audit Report for the 2023/24 financial year, which is attached as Appendix 1.

The IT Audit Report is undertaken in support of the audit of the financial statements, and covers the control environment for the Council's main financial systems.

Recommendations

- a) Members are asked to receive the IT Audit Report presented by Grant Thornton and to note the recommendations which have been made.

What is this report about?

- 1 This report presents Grant Thornton's IT Audit Report 2023/24.
- 2 The IT Audit Report covers the control environment for the Council's main financial systems. It is undertaken to support the audit of the financial statements, to determine the level of reliance which the accounts audit can place on controls within the financial systems. The report makes a number of recommendations and provides an update on previous recommendations.

What impact will this proposal have?

- 3 The report outlines the conclusions from Grant Thornton's IT audit work for 2023/24, and identifies some recommendations for improvement in the Council's arrangements.

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

Health and Wellbeing Inclusive Growth Zero Carbon

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

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

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

What are the resource implications?

- 6 There are no direct resource implications arising from this report.

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

- 7 The IT Audit Report covers Grant Thornton's findings in relation to the control environment which is in place for the Council's main financial systems.
- 8 The report makes four medium and low priority recommendations, and the management responses to these recommendations from officers are included in the report.

What are the legal implications?

- 9 The IT Audit Report contributes to Grant Thornton's overall work to discharge their responsibilities as defined by in 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 is a retrospective one, which presents findings from Grant Thornton's 2023/24 audit work.

How will success be measured?

11 Grant Thornton will provide an update on the recommendations made in this report during their 2024/25 audit.

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

12 Those recommendations which have not yet been implemented will be addressed by officers over the coming months.

Appendices

- Appendix 1 is Grant Thornton's IT Audit Report for 2023/24.

Background papers

- None

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IT Audit Findings

Leeds City Council

Year ended : 31 March 2024

Issued Date : 12 November 2024

Chris Houghton

Senior Manager, IT Audit

T: +44 20 7728 2276

E: chris.houghton@uk.gt.com

Arpita Seth

Technology External Audit Assistant Manager

D +44 20 7728 2331

E: Arpita.Seth@uk.gt.com

Sahil Chaudhary

Audit Associate

T: +44 20 7184 4613

E: Sahil.Chaudhary@uk.gt.com

Priyanka Goyal

Junior OTM IT Audit

E: Priyanka.Goyal@uk.gt.com



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Section 1: Executive summary

01. Executive summary

02. Scope and summary of work completed

03. Summary & Details of IT audit findings

04. Review of IT audit findings raised in prior year

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To support the financial statement audit of Leeds City Council for year ended 31 March 2024, Grant Thornton has completed a Design and Implementation review of the IT General Controls (ITGC) for the in-scope applications FMS, Capita(Academy) and SAP identified as relevant to the audit. Grant Thornton also performed the roll forward testing, followed up on prior year's findings and re-tested privileged access controls for the in-scope application, Civica CX, identified as relevant to the audit.

This report sets out the summary of findings, scope of the work, the detailed findings and recommendations for control improvements.

We would like to take this opportunity to thank all the staff at Leeds City Council for their assistance in completing this IT Audit.

Section 2: Scope and summary of work completed

01. Executive summary

02. Scope and summary of work completed

03. Summary & Details of IT audit findings

04. Review of IT audit findings raised in prior year

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The objective of this IT audit was to complete a design and implementation review of Leeds City Council ITGC to support the financial statement audit. The following applications were in scope for this audit:

- SAP
- FMS
- Capita Academy
- Civica CX
- Active Directory

We completed the following tasks as part of this ITGC review:

- IT General Controls Testing: Design, implementation assessment over controls for security management; technology acquisition development and maintenance; and technology infrastructure.
- Performed high level walkthroughs, inspected supporting documentation and analysis of configurable controls in the above areas.
- Completed a detailed technical security and authorisation review of Leeds City Council SAP system as relevant to the financial statements audit, and
- Documented the test results and provided evidence of the findings to the IT team for remediation actions where necessary.

Section 3: Summary & Details of IT audit findings

01. Executive summary and scope of work completed



















02. Scope and summary of work completed

03. Summary & Details of IT audit findings

04. Review of IT audit findings raised in prior year

Section 3: Overview of IT audit findings

This section provides an overview of results from our assessment of the relevant Information Technology (IT) systems and controls operating over them which was performed as part of obtaining an understanding of the information systems relevant to financial reporting. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas. For further detail of the IT audit scope and findings please see separate 'IT Audit Findings' report.]





IT system	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks / other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
SAP	Detailed ITGC assessment (design effectiveness)					N/A
FMS	Detailed ITGC assessment (design effectiveness)					N/A
Capita Academy	Detailed ITGC assessment (design effectiveness)					N/A
Civica CX	Detailed roll forward ITGC assessment (design effectiveness)					N/A
Active Directory	Detailed ITGC assessment (design effectiveness)			Not In Scope	Not in Scope	N/A

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We also performed specific procedures in relation to the Cyber security performed during the audit period. We observed the following results:

IT system	Result	Related significant risks / risk / observations
Cyber Security	No Deficiencies Identified	n/a

Assessment

-  Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  Non-significant deficiencies identified in IT controls relevant to the audit of financial statements / significant deficiencies identified but with sufficient mitigation of relevant risk
-  IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  Not in scope for testing


SAP controls assessment findings

Assessment	Issue and risk	Recommendations
1. 	<p>The passwords for standard SAP IDs are not secured appropriately Our audit procedures identified that the password for standard SAP IDs are not secured. We inspected the report RSUSR003 and noted that for the production client, the password could be easily found.</p> <p>Risks Bypass of system-enforced internal control mechanisms through inappropriate use of SAP standard accounts increases the risk of making unauthorized changes to system and client.</p>	<p>We recommend that password for all SAP standard accounts should be changed from the system default settings and are not trivial for all clients on the production instance</p> <p>Management response Password changes will be requested for these standard IDs.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

IT general controls assessment findings


	Assessment	Issue and risk	Recommendations
2.		<p>Inadequate controls over privileged user accounts in FMS database, and Capita Academy application and Database</p> <p><u>FMS Oracle databases</u></p> <p>We noted that activities performed by system administrators via generic user accounts were logged. However, the activities were not reviewed on a periodic basis. The finding was identified in prior year and remains the same for current year.</p> <p>Additionally, we also noted that the password for the account is shared among the system administrators.</p> <p>The list of accounts referred to has been provided.</p> <p><u>Capita Academy application</u></p> <p>For a generic Capita support account within Academy, we noted that account is used by Capita, the third-party vendor for supporting the Capita (Academy) system as needed. We were informed that Capita will log a call with the Council and access the system. However, we were unable to obtain the evidence demonstrating the call request and approval by the Council.</p> <p>Additionally, we also noted that activities performed via generic user IDs were logged. However, these activities were not reviewed on a periodic basis.</p> <p>The details of account referred to has been provided.</p> <p><u>Capita Academy database</u></p> <p>We noted that the account is restricted to database administrators and activities performed by database administrators via generic user IDs were logged. However, these activities were not reviewed on a periodic basis. We were informed that management is in the process to implement a new module within Academy that monitors the system users including generic accounts.</p>	<p>Management should undertake a review of all user accounts on the Capita and FMS application and database to identify all generic privileged accounts. For each account identified management should confirm the</p> <ul style="list-style-type: none"> - requirement for the account to be active and be assigned privileged access - which users have access - controls in place to safeguard the account from misuse. <p>Where possible, generic privileged accounts should be removed, and individuals should have their own uniquely identifiable user accounts created to ensure accountability for actions performed. Alternately, management should implement suitable controls to limit access and monitor the usage of these accounts (i.e. through increased use of password vault tools / logging and periodic monitoring of the activities performed). Where monitoring is undertaken this should be formally documented and recorded.</p> <p>Management should consider developing a logging and monitoring strategy for critical administrative activities. Resources should be allocated to monitor only those activities that are critical. These logs should be reviewed by an independent person on a periodic basis or as and when alerted.</p> <p>Management response</p> <p>Setting up individual accounts for use by individual staff would not remove the requirement for generic IDs to run scripted processes, although the use of the generic IDs could be limited to such processes. The functionality for auditing of 'sys operations' is switched on for the FMS database, ensuring that there is an audit trail of the activities carried out by the generic IDs, however the audit trail output is highly technical and could not be reviewed and understood by individuals from outside of the specialist team. The service will investigate setting up individual IDs.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

Continue to next page..

IT general controls assessment findings

Assessment	Issue and risk	Recommendations
2.	<p data-bbox="341 292 1087 349">  Inadequate controls over privileged user accounts in FMS database, and Capita Academy application and Database </p> <p data-bbox="341 399 404 421">Risks</p> <p data-bbox="341 435 1087 521">Without logging and monitoring of administrator activities, in particular generic accounts, it might not be possible to detect unauthorised activities that are performed via these accounts.</p> <p data-bbox="341 535 1087 644">The use of generic or shared accounts with high-level privileges increases the risk of unauthorised or inappropriate changes to the application or database. Where unauthorised activities are performed, they will not be traceable to an individual.</p>	

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

IT general controls assessment findings

Assessment	Issue and risk	Recommendations
3.	<p data-bbox="161 305 207 349">●</p> <p data-bbox="298 305 1038 361">Lack of formal Batch management approval within FMS application</p> <p data-bbox="298 386 1038 504">For a selected Batch change sample, we noted that there was no formal approval obtained to ensure that the Batch change had been formally approved by an appropriate person from the Finance team before promoting the change into the live environment.</p> <p data-bbox="298 568 360 588">Risks</p> <p data-bbox="298 606 1021 714">Without adequate change management controls, unauthorised or undocumented changes to batch scheduling configurations can lead to disruptions in critical business processes, data loss, and security vulnerabilities.</p> <p data-bbox="298 732 1021 806">Furthermore, the absence of a structured change management process increases the likelihood of configuration errors and inconsistencies.</p>	<p data-bbox="1052 305 1962 386">We would recommend that the Council establish a formalised change management process for batch scheduling configurations, including documentation of proposed changes, impact assessment, approval workflows, and implementation controls.</p> <p data-bbox="1052 404 1962 482">The Council should implement a segregation of duties control to ensure that only authorised personnel can make and approve changes to batch scheduling parameters.</p> <p data-bbox="1052 575 1313 595">Management response</p> <p data-bbox="1052 606 1962 714">The batch change sampled in the audit had been discussed and approved by the Finance team during a meeting, but this had not been formally recorded. New batch scheduling approvals for FMS now follow the same change management process as the authorisation of all other FMS changes.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

IT general controls assessment findings

	Assessment	Issue and risk	
4.	●	<p data-bbox="300 285 1129 321">Insufficient Evidence of Implementation of Cyber Security Controls</p> <p data-bbox="300 328 1129 421">Our audit procedures identified that there is no formal Cyber Security framework established presently. We were informed that Council is working to establish the ISMS framework as best practice.</p> <p data-bbox="300 442 1129 535">We noted that the Cyber Security policies were last updated in 2020 and 2021, we were informed that Council is working to update the policies by end of 2024.</p> <p data-bbox="300 542 1129 656">Given the increasing risk from cyber-attacks over recent months, the council should ensure they are current with cyber security monitoring and prevention practices. This should include penetration testing and central government IT certification.</p>	<p data-bbox="1149 285 1993 321">Management response</p> <p data-bbox="1149 321 1993 399">As noted, the Council is working towards establishing a formal framework. However, it should be noted that extensive arrangements are already in place :</p> <ul data-bbox="1149 399 1993 913" style="list-style-type: none"> <li data-bbox="1149 399 1993 599">• In June 2024 LCC signed up to the Cyber Assessment Framework (CAF) for Local Government based on the NCSC's Cyber Assessment Framework. We are working towards implementing the CAF's 4 objectives and 14 principles around managing security risk, protection against cyber-attacks, detecting cyber security events, and minimising the impact of cyber security incidents. This work is being headed up by the recently appointed Head of Security & Technical Architecture. <li data-bbox="1149 599 1993 656">• A comprehensive review and replacement of cyber security related policies is underway. <li data-bbox="1149 656 1993 714">• There are many technical controls in place to monitor for and prevent cyber security incidents and a dedicated IT Security Team of SMEs. <li data-bbox="1149 714 1993 771">• The council utilises a vulnerability management tool to scan for vulnerabilities across our IT estate several times a week. <li data-bbox="1149 771 1993 913">• An annual penetration takes place for the annual IT Health Check required to obtain compliance to connect to the government's Public Services Network. The current compliance certificate expires in January 2025. Other penetration tests take place throughout the year on an ad hoc basis to test specific applications or systems

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

Controls For Which Assurance Could Not Be Provided

Change Management [FMS]	<p>For in-house developed applications, code change requests are raised through a formal change management process, reviewed, and approved before any development work starts.</p> <p>In-house developed code changes are subject to all or a combination of unit, system integration, regression, and user acceptance testing, before being signed off by business users confirming that requirements of the change request have been met.</p> <p>Changes which have been tested and signed off by business users are evaluated and approved by personnel independent of the development and testing process, as to when they can be deployed into production.</p>	<p>Insufficient evidence was provided for the Grant Thornton IT Audit Team to assess the controls over the changes within the FMS applications.</p> <p>Due to system limitation, we were unable to obtain the change logs from FMS systems to verify last change date made within audit period. Therefore, we were unable to test the control.</p>
Change Management [FMS]	<p>Developers do not have continuous access to the production environment and cannot implement their own changes into the production environment.</p>	<p>Insufficient evidence was provided for the Grant Thornton IT Audit Team to assess the controls over the list of developers and Implementers within the FMS applications.</p> <p>Due to system limitation, we were unable to obtain the system generated list of developers and Implementers from FMS systems to verify the segregation of duties maintained within audit period. Therefore, we were unable to test the control.</p>
Change Management [Capita]	<p>Developers do not have continuous access to the production environment and cannot implement their own changes into the production environment.</p>	<p>Insufficient evidence was provided for the Grant Thornton IT Audit Team to assess the controls over the list of developers and Implementers within the Capita application.</p> <p>Due to unavailability of SOC report, we were unable to test the control.</p>
Batch Monitoring [FMS]	<p>Operations personnel manually monitor the status of batch jobs to identify exceptions or events that need their intervention, allowing them to address the issues in a timely manner.</p>	<p>Insufficient evidence was provided for the Grant Thornton IT Audit Team to assess the controls over monitoring scheduled job failures within the FMS application.</p> <p>Due to system limitation, we were unable to obtain the system generated list of developers and Implementers from FMS systems to verify the segregation of duties maintained within audit period. Therefore, we were unable to test the control.</p>

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

Controls For Which Assurance Could Not Be Provided

Batch Monitoring
[FMS]

Operations personnel manually monitor the status of batch jobs to identify exceptions or events that need their intervention, allowing them to address the issues in a timely manner.



Insufficient evidence was provided for the Grant Thornton IT Audit Team to assess the controls over monitoring scheduled job failures within the FMS application.

Due to system limitation, we were unable to obtain the Batch error sample within audit period to test the control.

Assessment

- Significant deficiency – ineffective control/s creating risk of significant misstatement within financial statements and / or directly impact on the planned financial audit approach.
- Deficiency – ineffective control/s creating risk of inconsequential misstatement within financial statements and not directly impacting on the planned financial audit approach
- Improvement opportunity – improvement to control, minimal risk of misstatement within financial statements and no direct impact on the planned financial audit approach

Section 4: Review of findings raised in prior year

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
 	<p>User accounts identified with inappropriate access rights in FMS</p> <p>Administrative access to FMS has been granted to users who have financial responsibilities. The combination of financial responsibilities with the ability to administer end-user security is considered a segregation of duties conflict.</p> <p>We noted that 13 Finance users with role 'System Controller Status = 2' could set up user accounts and then assign additional financial responsibilities to these or other user accounts. Some Finance users provide systems support and require this functionality; other users who perform financial reporting, create a segregation of duties conflict. We did not perform additional procedures to verify if the users had access to and used this functionality. The list of users referred has been provided.</p>	<p>The finding has been remediated.</p> <p>Management response as of 2023</p> <p>Officers have reconsidered Grant Thornton's finding and remain satisfied that the specific system controller functionality within FMS does not give rise to additional risk when combined with financial functionality. In FMS, the system controller access referred to does not permit users to bypass system enforced dual authorization controls. However, transferring the system controller function away from knowledgeable Finance staff would increase the risk of inappropriate access being given to users.</p> <p>Following the previous year's audit report the Council noted that there was a potential weakness in the creation of new users, as new user accounts could be created by one single system controller – a risk which was unrelated to whether the system controller function was performed by Finance or by other staff. However, during 2023 the Council has improved the functionality in FMS so that one individual system controller can no longer create and activate a new user account.</p> <p>The Council periodically risk-assesses all functionality in FMS. This highlights those areas of functionality within the system which represent the highest risk, and it is in the light of this work that the Council is satisfied with its current arrangements. FMS provides a full audit trail of system administrator activity, and detection controls are in place.</p> <p>GT Comments as of 2024 – Per enquiry, we confirmed that the 13 users with role 'System Controller Status = 2' does not perform any administrative tasks. All the administrative tasks such as creating new users, deleting the users etc are carried out by privileged users with role 'System Controller Status = 1'. Therefore, the finding has been remediated from prior year.</p>

Assessment

- ✓ Action completed
- X 2 Not yet addressed

Review of findings raised in prior year

Assessment	Issue previously communicated	Update on actions taken to address the issue
X	<p>Inadequate controls over privileged user accounts in FMS, and Capita Academy databases</p>	<p>The finding has been Remediated.</p>
●	<p><u>FMS Oracle databases</u></p> <p>We noted that activities performed by the system administrators via generic user accounts were logged. However, the activities were not reviewed on a periodic basis. We were informed that the DBA team within the Council have agreed that individual user accounts will be set up when resources allow.</p>	<p>Management response as of 2022</p> <p><u>FMS</u></p> <p>As noted, individual accounts will be set up for use by individual staff. However, this will not remove the requirement for generic IDs to run scripted processes, although the use of the generic IDs will be limited to this. The functionality for auditing of 'sys operations' is switched on for the FMS database, ensuring that there is an audit trail of the activities carried out by these IDs.</p>
	<p><u>Capita Academy database</u></p> <p>We noted that activities performed by system administrators via generic user IDs were logged. However, these activities were not reviewed on a periodic basis. We were informed that management is in the process to implement a new module within Academy that will monitor all the system users including generic accounts.</p>	<p><u>Academy</u></p> <p>As noted, the Council is in the process of implementing new modules which will help to address this point.</p>
		<p>GT Comments as of 2024</p> <p><u>FMS Oracle databases</u></p> <p>We confirmed that there have been no changes or remediations which have taken place during the audit period in concern.</p> <p>Please refer to Finding 3 above in the section "IT general controls findings".</p> <p><u>Capita Academy database</u></p> <p>We confirmed that there have been improvement in the overall control as we can see that the access is restricted to administrators, however we noted that there is no monitoring performed by council for the generic account. Therefore, we rated the finding as a Control Improvement for the current year.</p> <p>Please refer to Finding 4 above in the section "IT general controls findings".</p>

Review of findings raised in prior year

Assessment	Issue previously communicated	Update on actions taken to address the issue
✓	<p>Users with inappropriate access to directly create and modify SAP roles in production</p>	<p>This finding has been remediated.</p>
●	<p>From our review, we identified four (4) Dialog user accounts who have access to directly create and modify roles respectively in the production environment using the PFCG transaction. The List of users referred has been provided.</p> <p>We performed further audit procedures to determine whether the roles are created or changed in production are based on a formal request and approval. We noted that these roles are created or changed in Development and QA and then moved to production via transports, other roles are changed directly in production as and when required by business and there is no formal request and approval process followed by Council.</p> <ul style="list-style-type: none"> • . 	<p>Management response as of 2023</p> <p>In practice the procedure in place is not to amend roles directly in the 'live' environment, and the standard process is that changes are implemented through the 'development' environment and QA. The current permissions will be removed and will only be given on request in case of firefighting, with all such requests being logged</p> <p>GT Comments as of 2024 – The finding has been remediated for current year.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

Review of findings raised in prior year

Assessment	Issue previously communicated	Update on actions taken to address the issue
✓	<p>Inappropriate segregation of duties conflict within SAP as users have ability to configure and delete audit logs in production</p>	<p>This finding has been remediated.</p>
●	<p>We performed a comparison of all users with the ability to configure audit logs within production via SM19 with those with the ability to re-organise or delete them in production using SM18. We identified four (4) users with both access rights. The List of users referred has been provided.</p> <p>To perform our further additional procedures, we were informed that the SM21 logs are retained for only previous 12 days and then deleted. Therefore, we were unable to perform further testing.</p>	<p>Management response as of 2023</p> <p>This function is carried out by the Council's third-party support contractor. Officers will discuss with the contractor whether this access is needed and whether there are any practical barriers to it being segregated by user as recommended.</p> <p>GT Comments as of 2024 – The finding has been remediated for current year.</p>

Assessment

- ✓ Action completed
- X Not yet addressed



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Annual Assurance report on Financial and Treasury Management

Date: 25th November 2024

Report of: Interim Assistant Chief Executive Finance, Traded and Resources

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This annual report sets out the standing arrangements for Financial Management and Treasury Management within the Council and provides evidence of compliance over the reporting period from November 2023 to October 2024

This report fulfils the requirement in the Chief Finance Officer's protocol, (Section 5k of the Council's constitution), that the Chief Finance Officer will report to the Corporate Governance and Audit Committee annually to confirm that the arrangements set out in the protocol have been complied with and set out proposals for amendments in the light of any issues that have arisen during the year. The statutory role of the Chief Finance Officer (known as the S151 officer) is fulfilled by the post of Chief Officer (Financial Services), which is currently temporarily subsumed into the post of Acting Interim Assistant Chief Executive, Finance, Traded and Resources.

Recommendations

- a) Corporate Governance and Audit Committee are asked to note the Chief Finance Officer assurances that:
 - a. In respect of both Financial Management and Treasury Management that appropriate systems and procedures are in place to ensure that there is sound financial management and control across the Authority; and
 - b. the arrangements set out in the Chief Finance Officer protocol have been complied with.

What is this report about?

- 1 This report provides assurance that the Council has established an effective financial control environment including robust arrangements for strategic financial planning combined with effective financial management and control.
- 2 The Council also has a sound framework for reviewing and challenging financial performance, has realistic plans in place to make the necessary savings in the 2024/25 financial year and is taking appropriate steps to deliver them. The Authority has contingency plans in place to help unforeseen variations against the budget. The report also outlines the governance framework for the management of the Council's Treasury Management function.
- 3 This report fulfils the requirement in the Chief Finance Officer's protocol, (Section 5k of the Council's constitution), that the Chief Finance Officer will report to the Corporate Governance and Audit Committee annually to confirm that the arrangements set out in the protocol have been complied with and set out proposals for amendments in the light of any issues that have arisen during the year.

What impact will this proposal have?

- 4 Given the financial challenges facing the Council both currently and in the medium-term, it is essential that we continue to ensure that we have in place appropriate arrangements around financial performance, strategic financial planning, financial governance, and financial control. This report outlines;
 - The key systems, controls, and procedures,
 - New developments and improvements which have been put in place,
 - New developments in the near future
 - New risks and any issues arising.
- 5 The Responsible Financial Officer has established an effective overall financial control environment framework for financial planning and exercises effective financial management and control which, in her opinion, discharge both her statutory responsibilities and are consistent with the Chief Financial Officer protocol which forms part of the Council's constitution.
- 6 The report provides assurance that the financial control and financial governance arrangements in place, in respect of financial management and treasury management, are fit for purpose, up to date and embedded across the organisation.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 The Best City Ambition is the Council's strategic plan which sets out its ambitions, outcomes, and priorities for the City of Leeds and for the Local Authority. The Three Pillars of health and wellbeing, inclusive growth and achieving zero carbon underpin this vision and these can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the Council's policies against financial constraints. This is the primary purpose of the Medium Term Financial Strategy which provides the framework for the determination of the Council's annual revenue budget.
- 8 The Best City Ambition underpins the 2024/25 budget and has been used to ensure that the Council's financial resources are directed towards its policies and priorities and, conversely, that

these policies and priorities themselves are affordable. Spending money wisely is one of the core Council's values, with the priority being for Directorates and services to keep within their budgets. Ensuring that the Council has appropriate financial management systems and procedures in place is clearly a key aspect and as such this report does provide assurance that money is being spent wisely.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 9 This report is provided for information and has not therefore been subject to consultation.
- 10 Arrangements for consultation and engagement in respect of the system of internal control for financial management and treasury management are set out in appendix 1 attached.

What are the resource implications?

- 11 The financial challenges faced by the Council resulting from significant demand and pressures combined with uncertainty relating to the Government's future spending plans has re-enforced the need to deliver a balanced budget and 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 requirement underpins the Council's Medium Term Financial Strategy 2025/26 – 2029/30 which was agreed at Executive Board in September 2024. This report projected that the Council's general reserve would be £49.7m by March 2030.
- 12 Recognising the financial challenges identified through the currently approved Medium Term Financial Strategy, Support Services functions are working more collaboratively to both maximise the resources that are available to the Council whilst at the same time supporting services to ensure that they achieve value for money.
- 13 The execution of the Treasury Strategy enables funds to be raised and managed in the most efficient manner in line with the approved strategy as presented to Executive Board on 7th February 2024.

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

- 14 It is clear that the current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions and combined with significant pay, price and demand pressures has added to the financial challenges faced by the Council. The Council continues to make every effort possible to protect the front-line delivery of services, and whilst we have been able to successfully respond to the financial challenge so far, it is clear that the position is becoming more difficult to manage and it will be increasingly difficult over the coming years to maintain current levels of service provision without changes in the way the Council operates.
- 15 Recognising the significant financial challenges facing the Council it is critical that the Council has in place sound arrangements for financial management. The statement of internal control attached at Appendix 1 demonstrates the arrangements in place to meet these risks.
- 16 As set out in the Treasury Management Policy Statement, Treasury Management activities are carried out within a risk management framework and the management of risk is key to securing and managing the Council's borrowing, lending, and cash flow activities.

- 17 By complying with and adopting the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice, Prudential Code and guidance notes, assurance is given that arrangements are in place to manage risks effectively.
- 18 In the past couple of years, a number of high profile local authorities ran into significant financial difficulties. Some of these authorities issued Section 114 notices because in the view of the Section 151 officer the Council was at risk of not being able to balance its budget, whilst others, rather than issue a Section 114 notice, sought a capitalisation directive from the Government. As a result of this all local authorities are under increased scrutiny to demonstrate that they have appropriate governance arrangements in place to manage their financial affairs. This report forms part of that re-assurance to members with regards to the Council's financial management and control arrangements.

What are the legal implications?

- 19 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a Chief Financial Officer have responsibility for those arrangements.
- 20 The Accounts and Audit Regulations 2015 came into force on the 1st April 2015 and set out the responsibility for internal control, the published accounts and audit.
- 21 The legislative framework for treasury management requires compliance with the CIPFA Treasury Management Code of Practice, the Prudential Code for Capital and associated guidance notes. Revised versions of both of these Codes of Practice were issued in December 2021, and the revised Codes and associated guidance notes are being assessed and full compliance is expected to be in place for the 2023/24 financial year as required by the Code.
- 22 Appendix 1 to this report sets out how the Council meets these statutory requirements.
- 23 The statutory role of Chief Finance Officer, and the associated Section 151 responsibilities, are fulfilled by the post Chief Officer (Financial Services), which is currently temporarily subsumed into the post of Acting Interim Assistant Chief Executive, Finance, Traded and Resources, referred to as ACE – Finance, Traded and Resources in the attached report.

Options, timescales and measuring success.

What other options were considered?

- 24 The financial procedures and controls for both financial managements and treasury management are part of the overall financial control environment and form a fundamental part of the assurances received by this Committee when approving the Annual Governance Statement as required by the Accounts & Audit Regulations 2015.
- 25 The treasury management governance framework is up to date and fit for purpose, that the Council is operating within its governance framework and as such is complying with the CIPFA Treasury Management Code of Practice, Prudential Code and updated guidance notes. A 2021/22 Internal Audit report gave the Treasury Management function substantial assurance on both control and compliance. It also confirms that the strategy is being monitored and reported back to Executive Board and Full Council as appropriate.

How will success be measured?

- 26 The financial management arrangements are subject to review by the Council's external auditors and their opinion on these arrangements are contained in their annual value for money report which is received at this committee.

27 Treasury Management continues to adhere to its governance framework including the current CIPFA Code of Practice, the Prudential Code and the associated CIPFA guidance. All borrowing and investments undertaken have been compliant with the governance framework. Success will be the continued optimal performance of the Treasury Management function within this framework.

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

28 Not applicable.

Appendices

- Appendix 1 – Financial and Treasury Management – Statement of Internal Control

Background papers

- None

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Annual Assurance report on Corporate Performance Management Arrangements

Date: 25th November 2024

Report of: Interim Assistant Chief Executive - People, Digital & Change

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 annual report presents assurances to the Corporate Governance & Audit Committee on the effectiveness of the council's corporate performance management arrangements.

The report provides Members with the opportunity to review the council's corporate performance management arrangements, using the cycle of internal control framework, to enable them to determine whether these arrangements are up to date; fit for purpose; effectively communicated and routinely complied with.

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

- A single list of Key Performance Indicators (KPIs) forms the basis of our corporate performance reporting. Work has taken place over the past year to review this list with Directorates and it will continue to be reviewed and updated if required to ensure we have the appropriate measures in place.
- The Best City Ambition was refreshed earlier this year and one of the items highlighted in the update was a need to strengthen the progress monitoring framework used for the Ambition. In response to this need for a clearer articulation of how we measure success, a new Best City Ambition Scorecard ("BCA Scorecard") is being introduced and will be included in our Annual Performance Report.
- Further work is taking place on our KPIs to put in place appropriate targets and identify tolerances to allow for more effective highlighting of key issues.

Recommendations

- a) Corporate Governance and Audit Committee is requested to receive this report and the attached Appendix 1 as together providing key forms of assurance on the robustness of the authority's corporate performance management arrangements.

What is this report about?

- 1 This annual report presents assurances to the Corporate Governance & Audit Committee on the effectiveness of the council's corporate performance management arrangements; that they are up to date; fit for purpose; effectively communicated and routinely complied with. The report provides a key source of assurance for the Committee to consider when approving the council's Annual Governance Statement.
- 2 The information in Appendix 1 is based around a 'cycle of internal control' framework which consists of five aspects; Define and Document, Clearly Communicate, Effectively Embed, Meaningfully Monitor and Review and Refine.
- 3 A review of the council's Key Performance Indicators has taken place over the past year to create and refine a single list that forms the basis of our performance reporting framework to CLT, Executive Board and Scrutiny Boards.
- 4 Further work to develop appropriate targets and tolerances for these KPIs is ongoing.
- 5 A refresh of the Best City Ambition took place earlier this year and consideration is being given to how its progress monitoring framework can best be developed. A new BCA Scorecard is being introduced and this will be linked into the council's performance management framework through our Annual Performance Report.
- 6 At the time of writing, performance management duties and accountabilities usually undertaken by the Director of Strategy and Resources are being performed by the Interim Assistant Chief Executive – People, Digital & Change as part of a short-term arrangement until the new Chief Executive starts their role. For the purpose of this report, the roles and responsibilities for these posts remain unchanged.

What impact will this proposal have?

- 7 The report provides a key source of assurance for the Committee to take into account when approving the council's Annual Governance Statement. Our performance arrangements help us analyse and act on benchmarking and performance information as a means of improving services and delivering better outcomes for the citizens of Leeds.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 8 This report supports the three pillars of the Best City Ambition by providing assurance on the arrangements for administering and reporting performance information underpinning each one.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 9 A range of stakeholders are engaged with to help maintain and improve the council's corporate performance arrangements, including: Executive Board, Scrutiny Boards, the Corporate Leadership Team, Directorate Management Teams and colleagues from across the council involved with the production and reporting of performance information.
- 10 Regular engagement with Elected Members takes place through performance reporting to Executive Board and Scrutiny Boards.

What are the resource implications?

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

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

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

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

What are the legal implications?

14 No legal implications from this report other than the publication of performance information on the council's website including key performance indicator results, and performance reports on specific service areas as requested by Scrutiny Boards.

Options, timescales and measuring success

What other options were considered?

15 Not applicable

How will success be measured?

16 Not applicable

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

17 Not applicable

Appendices

- Appendix 1: Annual assurance report on corporate performance management arrangements

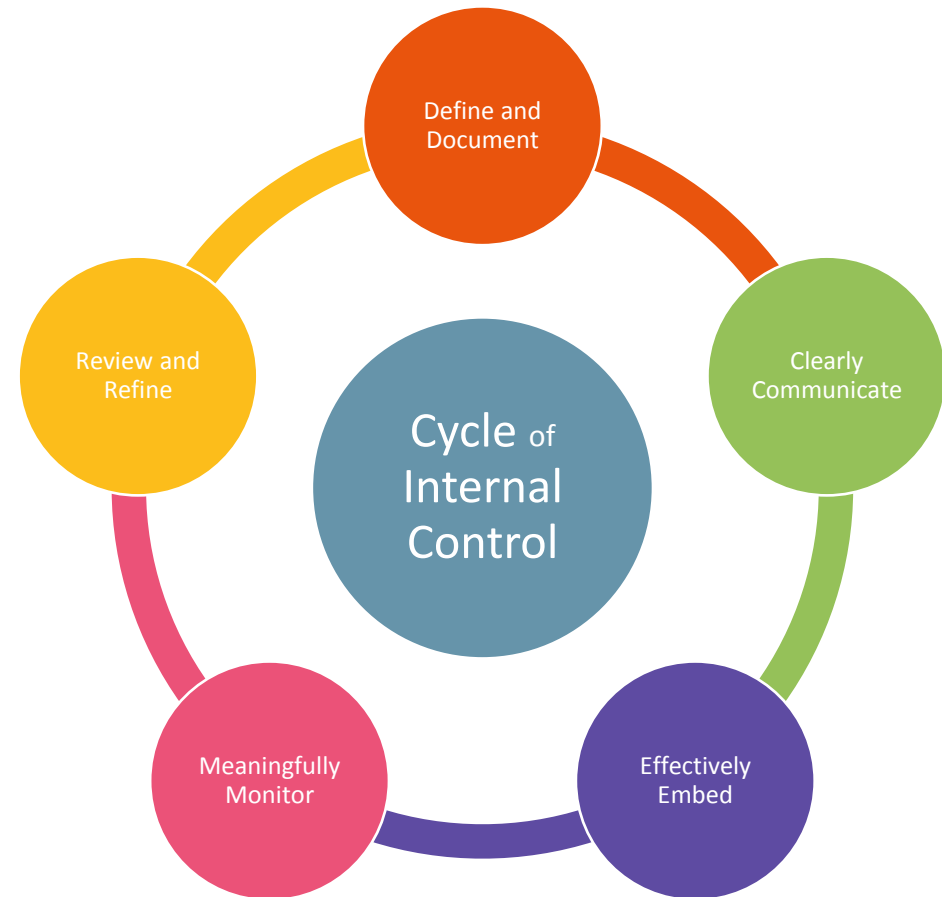
Background papers

- None

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Introduction

1. This report provides the Corporate Governance & Audit Committee with assurances relating to the adequacy and effectiveness of the council's corporate performance management arrangements; that they are up to date, fit for purpose, embedded and routinely applied.
2. The council's performance framework covers how effectively we run business and services as an organisation.
3. This performance framework has a role in the wider monitoring framework which includes city analysis and contributions from partners and will demonstrate how we are progressing towards the [Best City Ambition](#).
4. The information in this appendix is based around a 'cycle of internal control' framework which consists of five aspects, seen in the diagram on this page.
5. This report provides a key source of assurance for the Committee to consider when approving the council's Annual Governance Statement.
6. This statement includes opportunities identified to improve these arrangements as seen in the Review and Refine section.



Define and Document

7. Policy and Strategy
8. In February 2022, the Best City Ambition (“the Ambition”) was adopted by Full Council and replaced the Best Council Plan in Article 4 of the council’s constitution – the budget and policy framework. The Ambition sets out the outcomes we want to see for the city and is centred on our mission to tackle poverty and inequality and improve quality of life for everyone, driven by a focus on our three pillars of health and wellbeing, inclusive growth and zero carbon. The Ambition seeks to better reflect the importance of partnership working and a renewed relationship with the citizen – our Team Leeds approach – in achieving the city’s shared goals. It explicitly recognises that the council cannot act alone, and many of the outcomes the council strives to realise can only be delivered alongside other partners in the city.
9. The Best City Ambition was updated in February 2024. The updated ambition draws on renewed key strategies and plans within the context of the challenging financial climate. The update also addresses the need to strengthen the progress monitoring framework used for the Ambition, incorporating the Leeds Social Progress Index¹ and a clearer approach to Community Voice. One of the key areas considered as part of the update is: Measuring progress - clearer articulation of how we measure success, including through a new Best City Ambition Scorecard (“BCA Scorecard”) (discussed in more detail at point 22) which will draw on the Leeds Social Progress Index, Marmot City² work and prioritising citizen voice and community engagement – understanding real life perspectives, which add richness and context to what the data alone can tell us. The Leeds Joint Strategic Assessment (discussed in more detail at point 58) will continue to provide an opportunity to draw this breadth of analysis together and understand potential future implications on a three-yearly cycle.
10. The Ambition draws on local and national priorities and policy developments, the latest socio-economic analysis, local and regional partnership plans, and the history of strong partnership working in the city. The Ambition also links with a range of supporting council and partnership plans including Leeds Inclusive Growth Strategy, Leeds Health & Wellbeing Strategy, Connecting Leeds Transport Strategy,

¹ The Social Progress Index is a tool that helps measure how well Leeds is doing in terms of Inclusive Growth. It helps us understand what’s happening in different areas of the city (ward based) by looking at multiple parts and offering us a clear and unbiased measure of overall wellbeing in the city.

² The Marmot Review into health inequalities in England was published on 11 February 2010. A Marmot Place recognises that health and health inequalities are mostly shaped by the social determinants of health (SDH): the conditions in which people are born, grow, live, work and age, and takes action to improve health and reduce health inequalities. Leeds made a commitment to become a Marmot place in 2023 and embarked on a two-year partnership with the Institute of Health Equity to deliver a *Fairer Leeds*. During the first year, Leeds has carried out a ‘whole-system review’ and a set of recommendations have been produced that will be taken forward to build and strengthen the ways Leeds tackles health inequality. The recommendations will be supported by high level system indicators designed to monitor progress over the next 5 – 10 years.

Leeds Children & Young People’s Plan, Age-Friendly Leeds Strategy, Leeds Culture Strategy, Leeds Housing Strategy, Safer Stronger Communities: Leeds Plan and the council’s Medium-Term Financial Strategy, Budget and Capital Programme.

11. Supporting the Ambition is our Organisational Plan³ which sets out our vision to be the best council in the best city, with our staff supported to understand what we do, why we do it, and how we can all work together to achieve our ambitions and values. In essence, the Organisational Plan describes how the council aims to ensure it can make its full contribution as a part of Team Leeds towards achieving the shared Best City Ambition. This plan is for all managers, more than 2,000 across the council to help them support their staff to be their best. This plan for the organisation shows how we’ll work to be an efficient, enterprising, healthy and inclusive organisation. It was created with leaders and managers and includes recommendations from the independent [Local Government Peer Challenge](#) undertaken in November 2022. The Peer Challenge provided us with recommendations covering our values, culture and workforce; locality and community working; transformation approach across the organisation; financial planning and our role and influence within and beyond Leeds. The Organisational Plan is a live document, with staff across the council being invited to provide feedback to inform future updates. A 2024/25 update was taken to Executive Board in July 2024. It maintains the focus on our values, manager expectations and main areas for organisational change. It has also been enhanced to meet the UK Government’s Productivity Plan requirements, which ask councils to outline the transformation of the design and delivery of services to make better use of resources and how councils are taking advantage of technology and data to improve plans to balance council budgets. The plan is focussed on three interlinked themes to enable everyone to understand the role and priorities of the council:

- A growing, inclusive city – describing Local Government’s unique and engaging public service leadership role so that the council can make the greatest contribution to our Best City Ambition;
- High-quality public services – describing the continuous improvement we strive to make in the services we deliver or commission, to improve outcomes, customer satisfaction and value-for-money; and
- Well-run organisation – describing the importance of good governance in line with our values and behaviours to help us make the most of all the resources and assets we have at our disposal, especially our staff.

Monitoring of this plan will be in line with the council’s performance framework, including the Annual Corporate Performance report and financial monitoring reports that will cover aspects of the Productivity Plan requirements.

The council’s service planning framework is continually reviewed to make better links between our strategic priorities and local service priorities, with particular focus being given to this in the context of the council’s Financial Challenge.

³ [Being Our Best](#) – Our organisational plan for 2023 onwards.

12. Effective evidence and progress monitoring are key to achieving our ambitions and plans. This report makes the distinction between the council's own corporate performance framework and the wider monitoring framework which will demonstrate progress against the Best City Ambition. There are connections between the two but it is important to understand the distinction and more detail is provided below.
13. LCC Performance Framework
14. A single list of Key Performance Indicators ("KPIs") forms the basis of our corporate performance reporting. These KPIs are those which:
- Directly demonstrate performance of our services, workforce and assets; or
 - Relate to a wider city performance which the council contributes to affecting by way of specific services and programmes.
15. The existing KPIs have previously been agreed with Scrutiny Board Chairs and work took place over the past year to review the list with Directorates to ascertain if these are still the appropriate indicators and to highlight where we are aware of gaps in coverage across services. Where there are any further changes to the measures that are available or required to be reported by services, we will include additional KPIs (or remove KPIs from the list) as appropriate. We particularly anticipate further changes to Adults and Health KPIs over the coming year due to the following reasons: Adult Social Care is undergoing a period of change with regards to the collection and use of data both nationally and locally. The national Adult Social Care Outcomes Framework (ASCOF) measures have been revised from 2023/24 onwards, the main national return used to provide the data that informs these measures is also changing in 2024/25. In addition the new CQC (Care Quality Commission) Assurance Framework includes a number of data based 'information requirements' that are now being routinely captured and reported locally.
16. More details on the list of KPIs and their purpose can be seen in the Meaningfully Monitor section of this report.
17. Details about the process of monitoring and reporting the indicators to Corporate Leadership Team ("CLT"), Executive Board and Scrutiny will be given in the Meaningfully Monitor section below.
18. Each KPI is supported by background and explanatory information about the indicator. We have reviewed this detail with Directorate colleagues and whilst we hold most of this information now, we are re-organising how the information is stored alongside the KPI data results. We are aiming to make the storage and access of this information as user-friendly as possible for the officers who have responsibility for the performance management framework as well as making it easily accessible should other colleagues need to find relevant information. We are currently in the process of re-organising the data and information held, into a "KPI Register" which is made up of the following items:
- A spreadsheet which contains the data (the "KPI Data Record") supplied by services each quarter for reporting to CLT (also twice a year to Scrutiny Boards and once a year to Executive Board in our Annual Performance Report). This data is all available to us at

present but is being re-organised into a simpler format that will also allow us to easily review and produce trends information for performance reports;

- A separate spreadsheet containing the background data for each KPI (the “KPI Supporting Information”), including key contacts, availability of data and any data quality issues or limitations. Details of the KPI Supporting Information can be seen in the Clearly Communicate section of this report. Most of this KPI Supporting Information was checked or collated as needed through discussions with services throughout 2023/24 and it will be kept up to date through regular review; and
- A comprehensive checklist for our reporting processes so that all necessary information is held in one place should existing members of the Performance Team be unavailable at any point to advise colleagues what steps are needed.

19. On 4 July 2023, the then Department for Levelling Up, Housing and Communities Secretary of State Michael Gove formally announced the launch of the Office for Local Government (Oflog). The launch outlined the previous Government’s vision for Oflog: to provide authoritative and accessible data and analysis about the performance of local government and to support its improvement. As part of this vision, Oflog have to date identified six service areas covered by a range of metrics. These service areas are: Adult Social Care, Adult skills, Waste, Finance, Roads and Planning. Oflog have previously proposed more performance indicators across additional service areas, with the intention to ultimately cover all local government services. A recent letter (published 10th September) from the new Minister of State for Local Government and English Devolution to Oflog’s Chief Executive advised that a review of Oflog’s remit is taking place this year but in the meantime, “Oflog should:

- continue to update data for existing metrics on the Data Explorer (a digital tool, bringing existing data together with functions to make it contextualised and comparable between councils and showing national trends);
- continue to add new metrics to the Data Explorer, with a focus on areas most relevant to the government’s missions;
- continue to improve the Data Explorer, including ensuring it better explains the data’s limitations and how it should be used responsibly by third parties; and
- develop options for new, additional, or alternative data tools to help citizens understand local authorities’ performance, being clear about how these would add value to existing tools and reporting provided by central government and the sector.”

Intelligence and Policy will continue to liaise with colleagues in the relevant service areas to review any new Oflog indicators, and these will be incorporated into routine performance reporting as they are introduced. The data and reports provided in Oflog’s online Data Explorer will also become a useful benchmarking tool for us to compare performance against other local authorities.

20. Leeds Monitoring Framework

21. The council's corporate performance framework contributes to the wider monitoring framework underpinning the Best City Ambition, which includes city analysis and partnership working. These elements have always existed as part of the council's approach, but since the Ambition is more deliberately focused on the city at large – rather than the council alone – it is crucial to recognise where our monitoring concerns the council's activity directly, and where it is exploring wider issues we are seeking to affect in line with our tackling poverty and inequality mission. Often these latter issues are not ones we can directly control but understanding them is important as it sets the context in which the council is working and plays into the agenda around prevention and early intervention.
22. Whilst there has been a large amount of activity undertaken to date around progress measuring, this has not previously been suitably reflected in the Best City Ambition itself, and it can be difficult to navigate the vast amount of information and options available. The final proposals made in the February 2024 Update to the Ambition therefore more clearly articulate how progress on the Best City Ambition will be monitored and these proposals have been further progressed this year. A balanced scorecard of leading performance indicators has been developed, which will enable us to effectively report headline progress on the Best City Ambition in a clear and understandable way. The Ambition is broad, so this scorecard initially focuses on issues most related to tackling poverty and inequality in Leeds. The BCA Scorecard draws from other existing frameworks (including the Leeds Social Progress Index) and shares indicators with the ongoing Marmot City work. It will be reported at least once per year through the council's Annual Performance Report (from 2024/25 onwards).
- ## 23. Roles and responsibilities
24. The main roles and responsibilities for performance management within the council are:

Entity	Roles and responsibilities
Corporate Leadership Team (CLT)	The Interim Chief Executive and Directors have high level responsibility for corporate performance management and receive updates on the council's performance as well as progress in line with the Best City Ambition under the wider monitoring framework. Directors also routinely discuss relevant performance issues with Executive Board members.
Directorate Management Teams	Directors and their management teams have responsibility for overseeing performance relevant to their service areas. Directorate Management Teams review performance results for the KPIs they have responsibility for prior to being reported within the council e.g. to CLT, Scrutiny Boards and the

Entity	Roles and responsibilities
	Executive Board. Directorate Management Teams have the ability to escalate concerns about aspects of performance to CLT for further discussion.
Service Managers	Have day-to-day responsibility for monitoring operational performance. They provide routine updates and escalate concerns about performance to Directorate Management Teams and to the Intelligence and Policy Service.
Intelligence and Policy (“I&P”) ⁴	Staff within this central team have responsibility for maintaining the systems and procedures that support the performance management framework and for co-ordinating performance reporting to relevant stakeholders. I&P has the ability to escalate concerns about aspects of performance to the relevant Directorate Management Team and to CLT.
Directorate Intelligence and Policy Teams ⁵	Maintain performance frameworks tailored to the operational requirements of their service areas and coordinate the submission of performance information relating to their directorates required by I&P.
All council Staff	All staff have a role in using the Best City Ambition priorities to inform their own appraisal objectives.

25. Democratic Oversight

26. Elected Members, including those from Scrutiny Boards, were involved in the transition from the Best Council Plan in 2022 and participated in the development of the Best City Ambition. Scrutiny Board Chairs have also previously been involved in the agreement of the KPIs their respective boards will receive and the depth of supporting performance information such as historic results and benchmarking that will be provided. These discussions will continue to be had with new Scrutiny Board Chairs as required, to ensure the performance information provided to the Boards continues to demonstrate a thorough picture of performance within their respective remits.
27. On a routine basis, democratic oversight of performance is facilitated through a range of reports submitted to Members, as detailed below:

⁴ Intelligence and Policy takes the lead on the council’s corporate performance management arrangements

⁵ The Directorates of Adults and Health, Children and Families and Communities, Housing and Environment also contain a dedicated Intelligence function

Entity	Roles and responsibilities
Executive Board	Executive Board Members oversee performance relevant to their portfolio areas. Members receive a range of reports throughout the year including the council’s Annual Corporate Performance Report, which was most recently taken to Executive Board in July 2024 (link given at point 29 below). I&P is also currently reviewing proposals to provide Executive Board Members with more frequent in-year performance information.
Corporate Governance and Audit Committee	Members have responsibility for reviewing performance management arrangements and gaining assurance that they are fit for purpose, up to date and routinely complied with. The Committee receives an annual report on the adequacy of the council’s performance management arrangements. The Committee approves the Annual Governance Statement which incorporates arrangements in relation to performance management.
Scrutiny Boards	Members oversee performance for the areas within their remit and receive reports twice yearly containing performance data and accompanying narrative. Scrutiny Boards have the ability to request additional, service specific performance information if considered necessary.

Clearly Communicate

28. General

- 29. The Annual Performance Report taken to Executive Board is published on the Council’s website, the most recent report (taken in July 2024) can be found [here](#).
- 30. Following a recommendation by our external auditors, proposals are being considered for sharing performance information more regularly with Executive Board members. A similar recommendation was made for the more regular sharing of risk updates and consequently the risk register is now shared with Executive Board Members following its submission to CLT every quarter. Options for

similarly providing Members with in-year performance updates in a timely way, either formally or informally, are being reviewed and a proposal will be introduced in due course.

31. The list of KPIs will also be published within the relevant Scrutiny Board performance reports twice a year, available to the public.
32. The Best City Ambition was published on the webpages on the authority's Internet (leeds.gov.uk) and internal Intranet ('Insite') sites and widely promoted to staff through a banner on the front page of Insite and to the public via social media platforms. This is supplemented throughout the year by 'Best City' key messages from the council Leader and Interim Chief Executive to staff and partners.
33. Communication on performance is also demonstrated in the Effectively Embed and Review and Refine sections below.
34. Guidance
35. Each financial year, I&P produces a timetable for the routine reporting of performance information to officers and elected members i.e. Directorate Management Teams, CLT and Scrutiny Boards. The timetable is shared with key contacts to ensure that they can provide the required information at the correct time. I&P staff remind key contacts that the data is needed ahead of the submission deadline and are on hand to support them should they have any difficulties or queries relating to their results.
36. Each KPI has a set of KPI Supporting Information – a spreadsheet containing explanatory information, including the source of the data, any known weaknesses or limitations to the data, the frequency and timetable of when results would be available, plus any baselines or targets as well as tolerances. This spreadsheet is to be maintained by I&P and updated in collaboration with relevant service leads.
37. Leadership
38. CLT and Elected Members are briefed on performance during the year via a range of reports submitted to, amongst others, CLT, Executive Board and all Scrutiny Boards. Directors also meet with the respective Executive Board portfolio holders to discuss performance. Further details and briefings on any points of challenge or interest are provided as needed on an ad hoc basis by performance colleagues across the local authority.
39. In line with council Values, the review of performance at CLT and Directorate Management Team levels encourages a culture of openness and honesty, and continuous improvement rather than one of blame. KPI results that are seen to be heading in the wrong direction are indicated in the performance reports and raised for discussion at the relevant meeting. Services and directorates are able to raise matters about areas where improvement is required and report the actions being taken so that a collective discussion can take place to identify any further solutions.

40. Training

41. The council's performance management network is well established and made up of experienced staff. Performance management training delivered by I&P is usually on a one-to-one basis for staff taking on new performance management responsibilities as part of their role. Training on performance management can be tailored to the needs of individual services and can also be included within wider training sessions covering the relationship between the Best City Ambition, performance and risk management. The Performance Management Insite page includes details of who to contact to arrange training.

Effectively Embed

42. Stakeholder engagement

43. The performance stakeholder network is summarised in the Roles and Responsibilities section of this report. The KPI Supporting Information (see points 18 and 36 above) include details of the staff with high level responsibility for the indicator e.g. Chief Officer or Head of Service and also those involved in the day-to-day production and analysis of the results (Key Contacts). The KPI Supporting Information is updated by I&P when needed to ensure it is up to date and reflects any staffing changes.

44. A wide range of stakeholder engagement took place on the new Best City Ambition, the Organisational Plan and the supporting performance arrangements, as detailed in the Define and Document section of this report. An update to the Best City Ambition was taken to Executive Board in February 2024, and an update to the Organisational Plan was taken in July 2024. Amongst other things, further consideration has been given to progress monitoring of both the Ambition and Organisational Plan and how this ties into our routine performance monitoring framework.

45. The Best City Ambition, the Organisational Plan, and the performance framework KPIs reported to CLT, Executive Board and Scrutiny Boards were developed through engagement with partners, officers, and elected members, including members of Scrutiny Boards. The updated single list of KPIs produced and reported on during 2023/24 will continue to be reviewed and discussed with Directorate Management Teams, Scrutiny Chairs and CLT on a regular basis and any updates made as needed.

46. The council's Insite includes a page on Performance Reporting, containing details of how performance is reported within the council and a link to the Annual Performance Report to Executive Board.

47. The arrangements for reporting the refreshed list of KPIs, under the Council’s performance framework, to the key stakeholders is summarised in the table below:

Directorate Management Teams	CLT	Executive Board / Full Council	Scrutiny Boards
Quarterly reporting of KPIs they are responsible for. Annual Performance review.	Quarterly reporting of all KPIs with a focus on “highlight items” – particular KPIs with results identified as being significant that quarter. Annual Performance Report	Annual Performance Report Proposals are also currently being reviewed for sharing KPI updates more frequently with Executive Board Members.	Twice-yearly reporting of KPIs within each Board’s remit. Additional discussion about specific KPIs and / or progress against the BCA if requested.

48. Clear systems and processes in place

49. Systems for managing performance are well established across the council, supported by reporting timetables, and are very much “business as usual” within services.
50. KPI updates are provided by email from key contacts and these are input onto our “CLT Scorecard” which is included as an appendix to the quarterly performance report to CLT. Where I&P identify a KPI as a particular highlight item, supporting commentary is requested from key contacts; in particular the reasons for any adverse performance results and the actions being taken to address this. This detail is included in the performance report. The CLT Scorecard includes previous comparator data (depending on the KPI nature and frequency, this may be the previous month, quarter or year). Data is taken from the CLT Scorecard and saved in our KPI Register so we have a record of the information provided by services and can use this to show trends data in our reports where appropriate.
51. Gathering and reporting performance information is a key function of I&P, and this is reflected in the service workplan and those of individual members of staff. Although I&P considers these systems and procedures to be fit for purpose, they are not static and can be adapted as needed according to changing circumstances and as we strive to achieve continuous improvement.
52. The guidance and template for Committee and Executive Board reports for decision making was last reviewed and updated in 2022. The current template maintains the requirement for report authors to comment on how the report contributes to corporate strategy (the Best City Ambition) and also how the proposal supports the council’s three Key Pillars (Inclusive Growth, Health and Wellbeing and Zero Carbon). A mandatory requirement of the report is for the author to include details of ‘How success will be measured’.

Meaningfully Monitor

53. Targets

54. A number of our KPIs currently do not have specific targets for their performance results. This is something I&P has been reviewing with Directorate contacts and was further highlighted whilst the 2023/24 Annual Performance Report was being reviewed. As an interim measure, those KPIs without targets were given an “increase” or “decrease” target to allow these to be suitably RAG rated⁶. Directorate contacts are in the process of agreeing proposals with their Management Teams to identify specific targets for their KPIs wherever possible, as well as appropriate tolerances so that RAG ratings can be used more effectively in future reports (to CLT, Scrutiny and Executive Board). This work will continue into 2025 with the aim of having most targets in place (where targets are appropriate) for the start of 2025/26. There will, however, continue to be a small number of KPIs which we class as “trackers” and for which target setting (and RAG rating) is not suitable due to their nature, i.e. they are not KPIs the Council can seek to have an effect on, rather we just monitor these – such as number of calls received at the contact centre.

55. Benchmarking

56. Benchmarking is used to compare Leeds’ performance against those of other local authorities (including Core Cities⁷), the region and England nationally. National datasets such as those published by the Office for National Statistics, Adults Social Care Outcomes Framework (ASCOF), Public Health England (Public Health Outcomes Framework) and the Department for Education are used for benchmarking. Directorates are encouraged to provide benchmarking results for their KPIs where possible, with notable results and analysis included in the KPI results reported to CLT and Scrutiny Boards.
57. Other examples of organisations engaged with on benchmarking, sector-led improvement and shared best practice include Directors of Adult Social Services (ADASS) and Association of Directors of Children’s Services (ADCS). Additionally, the Children and Families directorate is represented at Regional and National Performance and data groups.
58. The Leeds Joint Strategic Assessment (Leeds JSA), produced every three years, provides wide-ranging analysis to promote a shared understanding of health and wellbeing needs and inequalities in Leeds, informing commissioners and policy makers about future needs to enable effective strategic planning, priority setting and commissioning decisions. In Leeds we put the wider determinants of health and wellbeing at the core of our JSA, recognising the way factors including the economy, education, environment and housing impact on

⁶ The RAG system of colour coding (Red, Amber, Green) is used to quickly and visually indicate the status of the results of a KPI.

⁷ Core Cities UK is a partnership of eleven city councils (Belfast, Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield) with a wide range of shared interests encompassing transport and connectivity, innovation and business support, skills and employment, sustainable communities, culture and creative industries, climate change, finance and industry, and governance.

health outcomes and wider wellbeing. This approach also means the JSA provides insights into how the city is progressing against shared ambitions and goals in the broadest sense. The most recent [Leeds JSA report \(2024\)](#) provides an outline of key issues identified in the latest data and analysis available and provides a regular opportunity to take stock and review. The Leeds JSA is supported by specialised needs assessments and by the themed reports and geographic profiles on the Leeds Observatory.

59. The Leeds Social Progress Index will provide a broader context within the wider monitoring framework and will be vital to assess longer-term progress as an important part of our overall understanding of progress towards the Best City Ambition.
60. The Data Explorer introduced by Oflog (discussed in more detail at point 19 above) will allow for all Local Authorities to be compared against specific identified metrics and I&P is looking at how this digital tool can be used to provide benchmarking data in our reporting of the Oflog indicators.
61. Beyond the approaches above, we continue to grasp any opportunities to access reliable benchmarking data on an ad hoc basis, accepting that at present the council does not procure any dedicated software or systems to access this information routinely. Examples of this include exploring the potential to gain access as a one-off to the IMPOWER Local Authority Index 2024, which recently ranked Leeds in the top 10 most productive councils in the country.
62. Performance Indicators robust and challenging
63. The KPI list reported to CLT and Scrutiny Boards has been subject to previous review by both CLT and through discussions with Scrutiny Chairs to ensure we are reporting the appropriate indicators. Regular reviews will continue as needed to incorporate any changes (e.g. due to emerging national policies or availability of new data).
64. The performance results reported and published take many forms to reflect the specific requirements of each indicator. Some are a single number or percentage, whereas others require supplementary information to be included. For example, due to our concerns about health inequalities, with indicators relating to Public Health, we contrast the average position for Leeds with the situation in deprived areas of Leeds.
65. All KPIs included in our framework are reported to CLT each quarter, but I&P working alongside other performance colleagues across the council and relevant Heads of Service / Chief Officers identify and pull out a small number of KPIs on which further detail and analysis is provided. As the Committee would expect, these are usually those KPIs with a notably positive or negative trajectory. This approach has been implemented over the last year to ensure the most important information is more clearly highlighted to CLT through the reporting, reducing the likelihood that key details can be overlooked due to 'information overload'.
66. For our KPIs, where reported to CLT in detail (a highlight item) and / or when reported to Scrutiny Boards, where possible we will aim to:

- Produce sub-city analysis where data is available.
- Provide comparison against core cities and/or neighbouring authorities and/or national figures.
- Set data in the context of a time series analysis – covering pre and post Covid and for some, a longer time period where required.

67. Some of the key datasets that contribute to our KPIs, primarily relating to financial data, are subject to independent rigorous checks, carried out by external audit, to ensure they are complete, timely, secure and accurate. Others are the result of external inspections carried out by Ofsted and the Care Quality Commission. A further group of indicators are gathered nationally and published by the government through agencies including the Office for National Statistics and the Department for Education.
68. Performance is reported to CLT to ensure cross-council ownership of the process, to facilitate discussion on specific areas, and prompt follow up action as needed. Directors also discuss relevant issues with Executive members.
69. The latest updated results for the KPIs are documented in an appendix (the CLT Scorecard) to the quarterly update on performance to CLT. This appendix includes a colour-coded indication (RAG rating) of whether performance has improved or declined against an appropriate comparator, allowing directors to see at a glance those areas where overall performance is going well or not.
70. The Executive Board and Scrutiny Boards, Community Committees and partnership boards (such as the Health and Wellbeing Board) receive a range of reports outlining relevant performance information pertaining to their function, including annual safeguarding reports, updates on the Equality Improvement Priorities and the Local Account on Adult Social Care performance.
71. A year-end performance report highlighting the progress made throughout the year against our KPI list is considered annually by Executive Board, with the [most recent report](#) being considered in July 2024.
72. As detailed in the Effectively Embed section of this report, at point 52, reports to Committee and Executive Board for decision making include a mandatory requirement for the author to include details of 'How success will be measured'. A member of the Intelligence and Policy Service reviews this section of the reports whilst they are at draft stage and has the ability to comment whether the information provided appears adequate, or whether any changes are required. Retrospective quality checks are undertaken on the 'how is success measured' section for a sample of key and officer decision reports.
73. Risks identified and mitigated
74. The council's risk management framework recognises the links between performance and risk, with many of the KPIs also acting as 'key risk indicators', i.e., sources of information that indicate whether a risk is increasing in significance or not. The scope of risk management training provided by I&P includes the relationship between the council's strategic plans, performance indicators and risks.

75. For several years, risk and performance information has been included in a single quarterly report to CLT, together with any other issues relating to the strategic priorities that require further discussion. The risk and performance management information contained in these, and other reports to Boards and Committees, is seen as a driver for change and a prompt for discussion, not simply a reaction to events.
76. Arrangements are in place for the Contact Centre and Customer Relations to act as a barometer for the problems the public is experiencing with council services, and feedback and escalation mechanisms have been established to ensure that relevant remedial action is taken to address the root cause of the issues. Where appropriate, issues identified through the Contact Centre will be captured in the performance reports to CLT.
77. Escalation process in place and used appropriately
78. The performance reports to Directorate Management Teams and CLT act as both a prompt and a vehicle for escalating concerns. During the preparation of these reports, contributing staff are encouraged to raise any concerns with performance results so they can be discussed at their Directorate Management Team, and potentially at CLT, to allow action to be taken as necessary.

Review and Refine

79. Up to date and fit for purpose
80. The performance management arrangements are not static and are updated by I&P whenever necessary to ensure they are kept up to date and remain fit for purpose. As 2024/25 progresses, the performance arrangements will continue to be subject to review to ensure they remain deliverable and stakeholder expectations are managed. This will be done through regular reporting updates and communications with stakeholders. Elected members, including Scrutiny Chairs, are regularly consulted to check they remain content that the arrangements in place are suitable and meeting their needs.
81. KPI results will continue to be reported to Directorate Management Teams, the Corporate Leadership Team and Scrutiny Boards. Continuing reviews will ensure the KPIs remain up to date and fit for purpose. The performance framework has the flexibility to accommodate new or amended KPIs and to remove any that are no longer suitable.
82. The scope of any given KPI can be revised in-year to ensure it remains up to date, with any changes reported to the relevant directorate management team, CLT and Scrutiny Board.

83. The Best City Ambition was designed as a rolling multi-year plan and, as such, will be reviewed and updated in some way almost every year, in particular when key strategies are updated (such as when the Health and Wellbeing and Inclusive Growth Strategies were updated in 2023). These reviews will take account of performance related developments including changes in national standards and statistical information requirements, as well as taking into account more recent challenges arising from the increasing cost of living situation and additional financial pressures facing the council. Details of the BCA Update taken to Executive Board in February 2024 are given at point 9 above.

84. Survey of Internal Control

85. In May 2024, the council undertook its annual Survey of Internal Control⁸ to provide first line assurance in relation to all key systems of internal control by seeking an assessment from operational managers as to whether the arrangements underpinning the Corporate Governance Code and Framework are working as intended.

86. The Survey included questions relating to arrangements for Performance Monitoring and Escalation of Concerns. Respondents were asked to rate the extent to which they thought the arrangements were embedded.

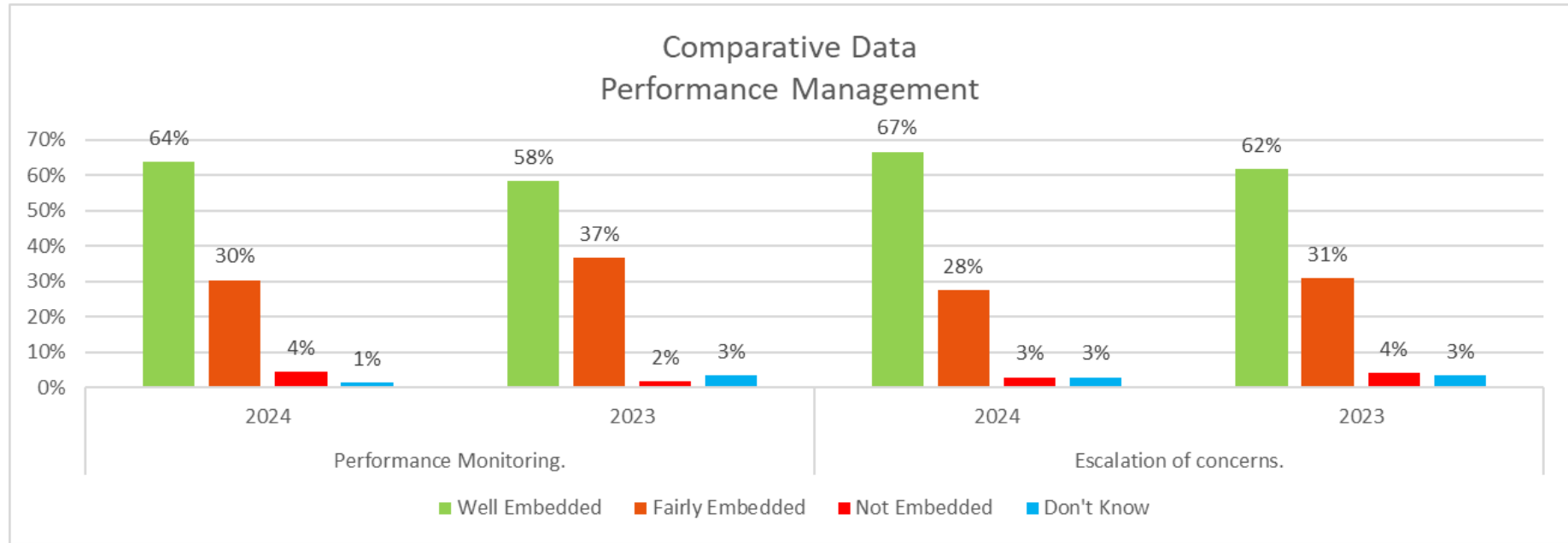
87. The results, which are set out in the charts below, were generally positive:

- 64% of respondents thought that Performance Monitoring arrangements were 'Well embedded', compared with 58% in 2023. There was however, a drop in the results for those who thought arrangements were 'Fairly embedded' from 37% to 30%.
- The pattern is mirrored in the results for respondents who thought that arrangements relating to Escalation of Concerns were 'Well embedded' (67% - an increase from 62% in 2023) or 'Fairly embedded' (28% - a decrease from 31% in 2023).

88. In last year's report to this Committee, it was expressed that our updated performance framework provides an opportunity to build on the 2023 results, addressing the areas where the 'not embedded' or 'don't know' results occurred and moving the 'fairly embedded' ones into 'well embedded category'. The results for 2024 given above show that we have been successful in moving a portion of the results from 'fairly embedded' to 'well embedded'. However, there has been slightly less success tackling all of those results in the 'not embedded' or 'don't know' categories as can be seen in the graphs below, with a couple moving in the right direction, one staying static and the response to Performance Monitoring being 'Not Embedded' having increased slightly. Further work will continue with directorate leadership teams, CLT and Scrutiny Boards to improve performance reporting, using the resources we have to best effect by focusing more selectively on the indicators and performance information which can drive improvement and evidence based policy-making.

⁸ A smart survey conducted amongst senior officers to support the review of internal control underpinning the Council's Annual Governance Statement

Table 1: Performance Monitoring and Escalation of Concerns survey results 2024 (Compared with 2023)



89. Opportunities for Improvement

90. A summary of the areas where further work is to be undertaken during the next year is seen in the table below:

Define and Document	<ul style="list-style-type: none"> • Maintain the KPI Register through updates to KPIs and their supporting information as required. • Continue to incorporate any new Oflog measures into our corporate performance reporting arrangements.
Clearly Communicate	<ul style="list-style-type: none"> • Consider and implement proposals for sharing performance information more regularly with Executive Board members.
Effectively Embed	<ul style="list-style-type: none"> • Give further consideration to how progress monitoring of the Best City Ambition and Organisational Plan ties into our routine performance monitoring framework.

Meaningfully Monitor	<ul style="list-style-type: none">• Put targets in place for those KPIs that do not already have a target in place and for which it is appropriate to do so.• Continue to grasp opportunities to access reliable benchmarking data through ad hoc opportunities that arise as well as through Oflog.
Review and Refine	<ul style="list-style-type: none">• Continue to ensure our performance management arrangements are suitable and effective, through regular reporting updates and communications with stakeholders.

Annual Assurance report on Corporate Risk and Resilience.

Date: 25th November 2024

Report of: Interim Assistant Chief Executive, People, Digital & Change

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

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

The term 'Risk and Resilience' covers the three inter-related areas of Risk Management, Emergency Planning and Business Continuity Management:

- Risk Management involves identifying the risks and threats that could impact on the ability to meet our objectives, assessing those risks to determine their significance and then putting in place arrangements to manage or mitigate them.
- Emergency Planning relates to how the council prepares and responds to risks and emergencies of a resilience nature.
- Business Continuity Management is a process that helps manage risks to the smooth running of an organisation or delivery of a service, ensuring continuity of critical functions in the event of a disruption, and effective recovery afterwards.

Recommendations

- a) Corporate Governance & Audit Committee is asked to receive the annual report on the council's risk and resilience arrangements and note the assurances in support of their next Annual Governance Statement.

What is this report about?

- 1 This report provides the Corporate Governance & Audit Committee with assurances relating to the adequacy of the risk and resilience controls currently in place in the council; that they are up to date, fit for purpose, embedded and routinely applied.
- 2 The term 'Risk and Resilience' covers the three inter-related areas of Risk Management, Emergency Planning and Business Continuity Management.
- 3 The need for the council to have strong risk and resilience arrangements remains essential. The past three years has seen a significant amount of change amongst council staff with risk and resilience responsibilities due to the impact of the reductions in staffing and natural turnover. This change has prompted the development of a more joined up approach linking risk management, emergency planning and business continuity management.
- 4 Through the arrangements outlined in this report, the council seeks to embed an effective risk and resilience culture across its values, and in the behaviour of all its staff and elected members. This responsibility extends to managing risks and how we respond to them with our key partner organisations to ensure they are aware of and are compliant with our risk and resilience policies and strategies.
- 5 The information in Appendices 1 and 2 is based around a 'cycle of internal control' framework which consists of five aspects; Define and Document, Clearly Communicate, Effectively Embed, Meaningfully Monitor and Review and Refine. For reasons of clarity, separate cycles of internal control have been prepared for Risk Management and Resilience, Emergency Planning and Business Continuity Management.
- 6 At the time of writing, risk management duties and accountabilities usually undertaken by the Director of Strategy and Resources are being performed by the Interim Assistant Chief Executive, Digital & Change as part of a short term arrangement until the new Chief Executive starts their role. For the purpose of this report, the roles and responsibilities for these posts remain unchanged.

What impact will this proposal have?

- 7 Many of the council's risks are 'external facing' i.e., their occurrence would have an adverse impact on citizens and communities in Leeds. Examples of our external facing risks include Major incident in the city, Community cohesion and Major flooding incident. Effective risk and resilience arrangements should help prevent these risks from arising or mitigate their impact should they occur.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

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

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 9 Key stakeholders continue to be engaged in maintaining the council's corporate risk and resilience arrangements. As well as this Committee, these include the Executive Board, Strategy and Resources Scrutiny Board and the Corporate Leadership Team. Full details of stakeholder engagement can be seen in Appendix 1 and Appendix 2.
- 10 Risk and resilience matters are regularly reported to Directorate Management Teams and the Corporate Leadership Team. The corporate risks are regularly reviewed and discussed at Corporate Leadership Team and annually by Executive Board.
- 11 The corporate risk map, which summarises the most significant risks facing the council and the city, is published on the council's leeds.gov website and a copy is included in the Annual Corporate Risk Report to Executive Board which is also publicly available.
- 12 The council is fully engaged with West Yorkshire Prepared (the Local Resilience Forum) and the collaborative working between its partner organisations helps meet the requirements of the Civil Contingencies Act 2004.

What are the resource implications?

- 13 The corporate risk management arrangements set within this report help the council to target and prioritise resources to help reduce costs, deliver savings and achieve value for money. Should any of the corporate risks arise, including those of a resilience nature, there would be financial and staffing resource implications to deal with the risk.

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

- 14 Without up to date, fit for purpose and embedded corporate risk management arrangements, preventable risks could arise which may have a subsequent adverse impact on resources and reputation.
- 15 Risk and resilience arrangements are captured within the council's corporate risks on 'City resilience' and 'Council resilience' (also known as 'Major incident in the city' and 'Major incident in the council') with regular reporting to the Corporate Leadership Team and annually to the Executive Board.
- 16 Staff with risk and resilience responsibilities have a duty to assess the risks and determine the threats to the council and its operations.
- 17 The West Yorkshire Community Risk Register, compiled and maintained by West Yorkshire Prepared, informs the development of the council's risk and resilience arrangements specifically the Incident Response Plans and Business Continuity Plans.

What are the legal implications?

- 18 The council's corporate risk management arrangements support the authority's compliance with the statutory requirement under the Accounts & Audit Regulations 2015 to have 'a sound system of internal control which facilitates the effective exercise of that body's functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and which includes arrangements for the management of risk.'
- 19 The Civil Contingencies Act (2004) imposes a clear set of roles and responsibilities on those organisations with a role to play in preparing for and responding to emergencies. The Act requires all Category 1 responders (which includes local authorities) to maintain plans to ensure they can continue to exercise their functions in the event of an emergency as far as is reasonably practicable (Business Continuity Management). Category 1 responder duties under that Act also include maintenance of plans to prevent emergencies and reduce, control and mitigate the effects of an emergency, should it occur (Emergency Preparedness).

20 Council services have a duty of care or a regulatory requirement to provide their service. This extends to maintaining services during an emergency or disruptive incident.

Options, timescales and measuring success.

What other options were considered?

21 Not applicable

How will success be measured?

22 Not applicable

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

23 Not applicable

Appendices

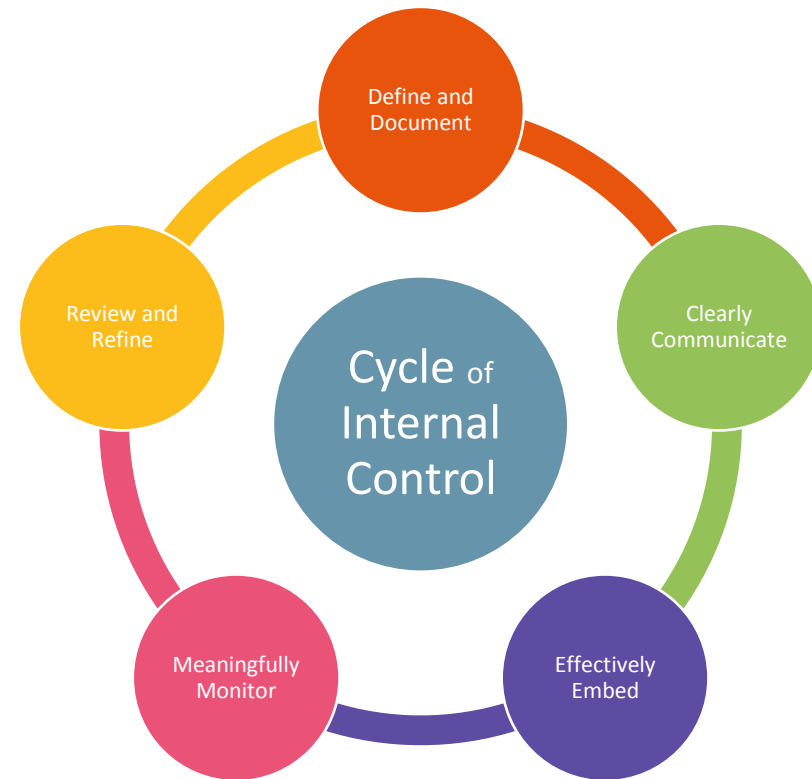
- Appendix 1: Corporate Risk Management arrangements
- Appendix 2: Resilience, Emergency Planning and Business Continuity Management arrangements

Background papers

- None

Introduction

1. This report provides the Corporate Governance & Audit Committee with assurances relating to the adequacy of the risk management controls currently in place in the council; that they are up to date, fit for purpose, embedded, and routinely applied.
2. The information in this appendix is based around a 'cycle of internal control framework' which consists of five aspects, seen in the diagram opposite.
3. The council's risks arise from a variety of sources, some of which are out of our direct control, whilst others stem from changes in government policy and the shifting needs and make-up of our communities. Such changes bring uncertainties that can pose threats that need addressing but also bring opportunities to exploit. Local authorities continue to experience a wide range of significant risks including threats to financial sustainability, workforce resilience challenges, rising demand for statutory services, inflation, and seasonal pressures.
4. Risk Management involves identifying the risks and threats that could impact on the ability to meet our objectives, assessing those risks to determine their significance and then putting in place arrangements to manage or mitigate them.
5. Through the arrangements outlined in this report, the council seeks to embed an effective risk and resilience culture across the council, shaped by its values and the behaviour of all its staff and elected members. This responsibility extends to managing risks and how we respond to them with our key partner organisations to ensure they are aware of and are compliant with our Risk Management Policy and Strategy.



6. At the time of writing, risk management duties and accountabilities usually undertaken by the Director of Strategy and Resources are being performed by the Interim Assistant Chief Executive as part of a short term arrangement until the new Chief Executive starts their role. For the purpose of this report, the roles and responsibilities for these posts remain unchanged.

Define and Document

7. Policies and Strategies

8. The Risk Management Policy is a formal acknowledgement of the council's commitment to managing risk. The Policy is accompanied by a Risk Management Strategy, which contains details of the arrangements and guidance for managing risk within the council and acts as a reference point for staff and members. Together, these aim to ensure there is an effective, robust, consistent, and communicated way of managing risk across the council. The Policy and Strategy are scheduled for their next review and update in 2025/26.
9. The Risk Management Policy and Strategy considered the latest guidance, such as that from ALARM¹, and relevant standards including ISO 31000² and the HM Treasury 'Orange book'. The main outcome from this consideration was that there is no 'one size fits all' approach for developing risk management arrangements and strategies, as organisations differ in their size and complexity.
10. The Risk Management Strategy includes definitions of what 'risk' is:
- The effect of uncertainty on objectives³
 - [Risk is] a situation involving exposure to danger⁴
 - [Risk is] An uncertain event or set of events which, should it occur, will have an effect on the achievement of objectives; a risk is measured by a combination of the probability of a perceived threat or opportunity occurring and the magnitude of its impact on objectives⁵
11. Risk management is a term used to describe the series of co-ordinated activities designed and operated to manage risk within an organisation and is a central part of that organisation's strategic management. Risk management activities include the identification, evaluation, prioritisation, and treatment of risks which are summarised as the Risk Management Process, as seen in the Meaningfully Monitor section of this report.

¹ ALARM is a risk management organisation that develops industry leading best practice for those managing risk and insurance.

² In 2018, the International Organization for Standardization issued updated risk management guidelines (ISO 31000).

³ ISO 31000 Risk Management – Guidelines (2018)

⁴ Oxford Dictionaries

⁵ Managing Successful Programmes (OGC)

12. Legislation and Guidance

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

14. Key plans and documents

15. Underpinning the Risk Management Policy and Strategy are the following key plans and documents:

- Corporate and directorate risk records are maintained on the council's Risk Management SharePoint site (RMS). The RMS was developed in-house as a low cost replacement for specialist risk management software that's licence period ended in 2019. The records held on RMS are an essential information tool for documenting the risks, their ownership, assessment and how they are being managed. The details of each risk held on the RMS include: risk title and description, ownership responsibilities, current risk rating (based on probability and impact scores), the sources of the risk, the consequences (impact) should the risk arise, existing controls in place to manage the risk and any further actions required to treat the risk. Each reporting period, the risk owner (or delegated key contact) is required to add progress comments to their risks explaining any change in rating and an update on work taking place to manage the risk. These comments feed into the risk reports produced (see Meaningfully Monitor section below). The format of the risk information on the site helps ensure that a consistent level of information is provided to explain what the risk is and how it is being managed.
- Financial risks are included within both the corporate and directorate risk registers with updates also provided to Executive Board and Full Council through the budget reports and to Executive Board through Medium-Term Financial Strategy reports.
- The periodic risk reports to Corporate Leadership Team and Directorate Management Teams are housed on a Microsoft Teams site set up for this purpose and maintained by Intelligence and Policy staff. Access to the site is restricted to the staff involved in producing the reports and the risk register appendices.
- The risks of a resilience nature i.e. ones that would require an emergency response should they arise, take into consideration the National Security Risk Assessment (the Assessment), published by the Cabinet Office. The Assessment identifies and assesses the most serious risks facing the UK and is used to determine the common consequences of these risks occurring. The Assessment is produced using a rigorous and tested methodology that incorporates best practice to provide a common framework for understanding risk. The Assessment supports operational risk management, planning and responses in all tiers of the UK resilience system and also serves as a framework for strategic risk management decision making. The [National Risk Register](#) is the public facing version of the National Security Risk Assessment and contains risks including terrorism, cyber-attack, systems failures and various types of adverse weather. The Assessment and the National Risk Register are used to inform the more local West

Yorkshire Community Risk Register, and together these inform the review and update of the resilience risks on the council's corporate risk register. Further details on the Assessment are seen in section 55 below.

16. Roles and responsibilities

17. The council's Intelligence and Policy Team, part of the Strategy and Resources Directorate, leads on the authority's corporate risk management function. This responsibility includes keeping the council's Risk Management Policy and Strategy up to date, maintaining the Corporate Risk Register, co-ordinating the periodic updates and reporting of corporate and directorate risk registers, facilitating risk management workshops, and providing training and guidance. The range of risk reports for internal stakeholders are detailed in the Clearly Communicate and Meaningfully Monitor sections of this report.

The roles and responsibilities for risk management within the council, as documented in the Risk Management Policy and Strategy, are:

Entity	Roles and responsibilities
Elected Members	
Executive Board, Council Leader, and Deputy Leader	<p>Ultimate responsibility for ensuring that the council has effective risk management arrangements lies with the Executive Board. Executive Board approve the risk management policy, strategy and framework and receives an annual update on this work from the Director of Strategy and Resources which includes a summary of how the corporate risks are being managed. Executive members also have a key role in identifying the risks associated with the delivery of the council's priorities and to discuss these with the relevant director(s).</p> <p>The Board provides appropriate challenge to strategic decision-making and ensures that satisfactory consideration is given to the risk management implications of strategic priorities and all major business change proposals.</p> <p>The Council Leader has responsibility for setting, supporting, and monitoring the council's policies and procedures for risk management. As with all executive delegations to officers, the portfolio holder may require, or the director may choose, to refer a risk and resilience matter to the Executive Board.</p>
Corporate Governance and Audit Committee	The Corporate Governance and Audit Committee is responsible for reviewing the adequacy of the council's governance arrangements, including risk management. The Committee receives an annual assurance report on our risk management arrangements from the Director of Strategy and Resources and uses this to monitor, review and scrutinise these arrangements and their implementation. Furthermore, the Committee

Entity	Roles and responsibilities
	<p>can provide challenge on the arrangements to manage specific risks and reviews the Risk Management Policy and Strategy.</p> <p>The Committee approves the Annual Governance Statement which incorporates arrangements in relation to risk and resilience.</p>
Scrutiny Boards	Scrutiny Boards ensure that risk management is given appropriate consideration within their areas of responsibility and can also bring potential risks to the attention of the appropriate Director.
Elected Members	All Elected Members have a responsibility to understand the council's risk management arrangements and the strategic risks facing the authority. Elected Members are responsible for properly considering the risk implications during decision-making and policy approval, particularly where the decision may have resource implications, an impact on the authority's strategic priorities or propose a service change.
Council staff	
Corporate Leadership Team ⁶	<p>The Corporate Leadership Team (CLT) has responsibility for ensuring that there are appropriate arrangements in place to manage risks, both those within their respective directorates and with a cross-cutting or wider impact.</p> <p>Members of CLT are collectively responsible for ensuring that all strategic risks are effectively managed by reviewing the corporate risk register each quarter, whilst individual directors take ownership of specific risks.</p>
The Director of Strategy and Resources	The Director of Strategy and Resources has specific responsibility for providing assurances to the Executive Board and the Corporate Governance and Audit Committee on the adequacy of our risk management arrangements. In addition, the Director of Strategy and Resources holds delegated authority to approve changes to the Risk Management Policy and Strategy on behalf of the Executive Board and acts as the 'officer risk management champion.'

⁶ Corporate Leadership Team consists of the council's Chief Executive and Directors, supported by Chief Officers with statutory roles including the Director of Public Health, Chief Financial Officer (Section 151) and City Solicitor.

Entity	Roles and responsibilities
Directorate Management Teams (including Senior Managers)	Directorate Management Teams ⁷ includes ensuring that the risk and resilience arrangements are in place within their services. This includes arrangements for identifying and managing risks in relation to projects, programmes, and partnerships within the service in accordance with the council's Risk Management Policy and contributing to the regular updating and review of risk registers at corporate, directorate and service levels. They also ensure risks are escalated to the appropriate level of risk register where they can be effectively managed and that proportionate risk assessments are contained within reports requiring a decision. Senior managers are also responsible for identifying the risk management training needs of their staff.
Strategy and Performance Service	Central responsibility for Risk Management falls under the Strategy and Performance (Intelligence and Policy Team), as seen at point 17 above. The Intelligence and Policy Manager is the Deputy Chair of the West Yorkshire Prepared Risk and Capabilities sub-group. Further details about West Yorkshire Prepared can be seen in the Effectively Embed section of this report.
All staff	All staff have a duty to consider the risks to the achievement of their day-to-day objectives and the council's outcomes and priorities. Staff should ensure that any risks which they cannot manage or that have a wider impact are escalated to their managers.

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

Role	Responsibilities
Risk Management	
Risk owner	The person who is responsible and accountable for the risk. This should be someone with knowledge of the risk area and of sufficient seniority to enable them to make decisions and allocate resources to manage the risk and to ensure that actions required to treat it are completed.

⁷ Directorate Management Teams consist of the relevant Director and Chief Officers and meet regularly to discuss issues affecting the directorate and its services. Other staff e.g., Heads of Service may be required to attend DMTs for specific items.

Role	Responsibilities
Delegated risk owner	The risk owner may allocate someone else, of appropriate seniority and who is perhaps closer to the service to which the risk relates, to oversee the risk on their behalf. The delegated risk owner reports progress in managing the risk to the owner.
Key contact	A person responsible for the day-today management of the risk and who reports to the delegated owner.

19. Corporate risks are owned by the relevant Director, with delegated ownership usually allocated to a Chief Officer. Directorate risks are usually owned by the relevant Chief Officer, with delegated ownership allocated to a Head of Service or senior officer. In some circumstances, the Director may choose to be the directorate risk owner.
20. Financial risks are included within both the corporate and directorate risk registers with updates also provided to Executive Board and Full Council through the budget reports, and to Executive Board through the Medium Term Financial Strategy (MTFS) reports. An annual assurance report on the Financial and Treasury Management arrangements was reviewed by this committee on 27th November 2023, the report providing assurance that the council has in place effective and robust arrangements for financial management and treasury management. This 2024 Annual Report on Financial Planning and Management Arrangements (including Treasury Management) is on the same agenda as this report.
21. Democratic Oversight
22. The corporate risk register continues to house those risks of significant, cross-cutting importance that require the attention of the council's most senior managers and elected members. Each of the corporate risks has named risk owners - a lead portfolio member and a member of the Corporate Leadership Team, who are jointly accountable for their management. The Executive Board as a whole retains ultimate responsibility. Full details of the CLT and Democratic accountability for the corporate risks can be seen in Table 1 of the [Annual Corporate Risk Report](#) to Executive Board (agenda item 10).
23. The Annual Corporate Risk Report to Executive Board includes summary assurances for all corporate risks rated as 'High' or 'Very High'. The assurances include details of what the risks are, the main controls in place to manage them, any further work required and signposting to additional relevant information and reports. At other times of the year, a copy of the Corporate Risk Register is sent to all Executive Board members for information following its periodic review and update by CLT.

24. In addition to the democratic accountability, further oversight is provided via this annual report on the Risk and Resilience⁸ arrangements to the Corporate Governance & Audit Committee. From this report, the Committee gains assurance that the arrangements are fit for purpose, up to date and routinely complied with.

Clearly Communicate

25. Guidance and information

26. The main source of risk management information and guidance within the council is the Risk Management InSite page. As well as containing a copy of the Policy and Strategy, the Insite page contains links to related documents (including the Annual Risk Report to Executive Board), guidance notes (e.g., 'What are risks?'), Frequently Asked Questions, key contacts and relevant external risk information including the National Risk Register.

27. As seen in point 15 above, details of all corporate and directorate level risks are maintained on the RMS SharePoint site. Access to the site is administered by Intelligence and Policy and is granted to risk owners, key contacts, and members of Internal Audit. Access is reviewed periodically by Intelligence and Policy staff to ensure it remains up to date.

28. The latest corporate risk map continues to be published internally on InSite and externally through the leeds.gov website (on the [Managing our risks](#) page). Both the internal and external sites include a link to the Annual Corporate Risk Report to Executive Board (points 21 to 23 above).

29. The RMS SharePoint site includes a Help and Guidance section which is split into two aspects; a User Guide, which has information on how to view and update risks, and an Administrator Guide, which contains information on how to manage risks, update user details and the general maintenance of the site.

30. Training

31. The Risk Management Strategy recognises the importance for elected members and staff develop a knowledge and general understanding of risk management. The Risk Management InSite pages includes details of who to contact to arrange training, advice, and guidance.

32. Risk Management training is available and is tailored to suit the needs of the service requesting it. The scope of the training 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. As detailed in the Review and Refine section of this report, the

⁸ In previous years, the Committee received separate annual assurance reports on Risk Management and Business Continuity Management

development of an e-learning training package for risk management is a recommendation from Internal Audit's recent review of the council's risk management arrangements.

33. During the past year, regular "Let's talk" - risk management training sessions have been introduced, available to staff who have responsibility for identifying, managing, and reporting risks or with a general interest how risk management applies to their job. The sessions, delivered online, are a mix of presentations, discussions and interactive exercises aiming to provide participants with an overview of what risk is (and what it is not), where the risks come from and how the council identifies, manages, and reports its risks.
34. At the time of writing, six Let's talk – risk management sessions have been delivered since April 2024. Electronic satisfaction questionnaires are sent to participants following each session, with the combined response rate at currently 48%.
35. The questionnaires ask the following: The location and venue were suitable; I understood the objectives/intended outcomes of the session; The objectives/intended outcomes of the session were met; The facilitator(s) had sufficient knowledge and skills to deliver the event successfully; I understand my role and responsibilities for any next steps; The session was well timed and structured; I found the session to be very worthwhile and beneficial. To date, all but one of the responses received were 'Strongly Agree' or 'Agree'.
36. Members of the Corporate Governance and Audit Committee are offered an annual training and oversight session on risk management, delivered via Teams. The training content covers what risk is, where the risks come from, the council's risk management framework and the roles and responsibilities for managing risk. The next annual training session was scheduled to take place on 13th November 2024.
- Risk workshops.
37. Risk management workshops continue to be offered to council services. The objectives of the workshops are tailored to meet the needs of the requester, but generally involve risk identification, assessment and treatment options for the risks facing a service, project or business initiative or a review and update of an existing risk register. Risk workshops also include an element of refresher training on risk management.
38. During the past year, Intelligence and Policy (I&P) staff facilitated a series of SWOT⁹ analysis risk workshops for the council's Internal Audit and Insurance teams. The results of these sessions helped identify actions to be taken to improve the services and to feed into development plans.
39. I&P facilitated a series of short, focussed risk review workshops with two City Development services. The Economic Development and Operations Management Team reviewed their existing corporate and service level risks in light of continuing economic and operational change and challenges and considered whether any new risks needed to be adopted. Additionally, workshops were held with Highways & Transportation to review the corporate risk of 'Keeping the city moving' to ensure it scope and details were up to date. These reviews complimented the existing periodic review and "sign off" of the risks prior to being reported to directorate and corporate leadership teams.

⁹ SWOT: Strengths, weaknesses, opportunities, and threats.

40. Another notable corporate risk subjected to a “deep dive” review was Major cyber incident. A working group consisting of staff from IDS, I&P and the Resilience and Emergencies Team met regularly during 2024 to progress work which included: reviewing the risk details recorded on RMS; reviewing the key controls (including the cyber incident management process) to ensure they are up to date; and ensuring there is appropriate communication, training and guidance for staff relating to the cyber threat and their responsibility in guarding against it.

41. Leadership

42. The Risk Management Policy is endorsed by both the Leader of the Council and the (now former) Chief Executive, demonstrating the ‘tone from the top’ about the key role that risk management plays within the council. The forthcoming change in the council’s Chief Executive represents an opportunity to renew these endorsements and this will be incorporated into the next update of the Risk Management Policy and Strategy, scheduled for 2025/26.

43. As detailed in the roles and responsibilities section of this report, members of Executive Board and the Corporate Leadership Team receive risk management reports during the year, and they can request updates on specific risk and resilience matters from the Intelligence and Policy Team or relevant directorate leads.

Effectively Embed

44. Stakeholder engagement

45. Key internal risk and resilience stakeholders have been identified (please refer to the roles and responsibilities tables seen earlier in this report) and are recorded across in a series of documents and reports:

- Risk Management Policy and Strategy.
- Corporate and directorate risk records maintained on the RMS site.
- Risk registers periodically reported to Directorate Management Teams and the Corporate Leadership Team.
- The Annual Corporate Risk Report to Executive Board.

46. Stakeholder engagement is via a range of methods that demonstrate both a ‘top-down’ and ‘bottom-up’ approach as follows:

47. At the start of the periodic internal reporting cycle, meetings take place between the staff with responsibility for administering the risk updates across all council directorates. The agenda for these meetings covers any issues arising from the risk management process, horizon scanning of risk topics in the news, and sharing best practice on how risks are administered and reported.

48. Regular meetings take place between the Intelligence and Policy Manager and the Senior Head of Audit, Corporate Governance and Insurance to share information on:

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

49. Regular meetings take place between the Intelligence and Policy Manager and the Resilience and Emergencies Team Manager to review and discuss work including:

- Organisational resilience preparedness.
- Items to include in the routine risk and resilience reports to directorates, CLT, committees and boards.
- Exercising and testing the organisations emergency response and business continuity plans.
- Consideration of information to be cascaded to the council e.g. updates from West Yorkshire Prepared and the National Risk Register.

50. At the start of the periodic reporting cycle, the Intelligence and Policy Manager meets with the Customer Relations Manager and the Deputy Head of Shared Services (Contact Centre) to discuss any emerging concerns and themes from their work areas that may require escalation for discussion and reporting at directorate or CLT level. These discussions include the identification of possible new risks. An example of a new risk identified via these meetings was the Contact Centre telephony switchover which successfully took place in Spring 2024.

51. Directorate management and service team meetings provide the main opportunities to discuss risk management aspects relevant to their functions such as new and emerging threats, feedback from external partners and the consideration of any lessons learned from recent incidents.

52. External risk stakeholders include the Local Resilience Forum (LRF): West Yorkshire Prepared, the region's multi agency partnership. Stakeholders within this partnership include representatives from West Yorkshire local authorities, West Yorkshire Police, Fire and Rescue Service, Yorkshire Ambulance Service, the British Transport Police, the military and utilities and health partners. At strategic level, Leeds City Council is currently represented by the Interim Chief Executive and at operational level by the Intelligence and Policy Manager who is Deputy Chair of the Risk and Capabilities sub group. West Yorkshire Prepared's most recent Annual Report, which showcases the hard work and collaborative efforts of its partners over 2023/24 can be seen [here](#).

53. The aims of the Risk and Capabilities sub group are to identify, assess and prioritise risks that will enable West Yorkshire Prepared and associated groups to deliver programmes of work aimed at treating the risks originating from hazards and threats which may impact West Yorkshire. West Yorkshire Prepared meetings take place quarterly.

54. The Intelligence and Policy Manager's Deputy Chair role also involves attendance and participation at the National Risk Working Group and the Yorkshire and the Humber Regional Risk and Capabilities sub group meetings. Further details as follows:
55. The National Risk Working Group aim is to enable engagement and collaboration between LRFs, Cabinet Office and the Ministry of Housing, Communities and Local Government on national risk policy and local approaches to managing risk. The functions of the group include updating partners on key National Security Risk Assessment¹⁰ developments; collate and discuss feedback from LRFs on risk assessment methodology, draft risk assessment documents and guidance; to facilitate cross-LRF consultation on malicious and non-malicious risk assessment and encourage LRFs to share expertise and leading practice and to highlight national gaps and identify new risks and/or planning assumptions.
56. The Yorkshire and the Humber Regional group provides a forum for the LRF areas to come together to discuss: cross border risks; awareness; regional risk collaboration opportunities; areas for cooperation/joint working; horizon scanning for emerging risks of concern; the review of the National Security Risk Assessment and to consider feedback from the National Risk Working Group meetings.
57. Attendance at the above meetings helps facilitate the two-way sharing of risk information between local, regional, and national levels.
58. As detailed in the Meaningfully Monitor section (point 84 below on Benchmarking), in Summer 2023, the council's Intelligence and Policy Team co-ordinated a comparison of the risks on the Core Cities¹¹ strategic risk registers. One of the outcomes from this review was a desire from Core Cities risk contacts to meet regularly to discuss risk management topics facing local authorities. During 2024/25, the Intelligence and Policy Team set up and facilitated quarterly online meetings with the Core Cities risk contacts. The meetings have provided the opportunity to share best practice, discuss new and emerging risks and the challenges facing local authority risk management. As some of the Core Cities have not been represented at the meetings, further work is required to address this issue.
59. The Intelligence and Policy Manager is a member of professional bodies: The [Institute of Risk Management](#) and [ALARM](#)¹², both of which include risk management within their remit. Through actively participating in continuing professional development, such as attending conferences and training events hosted by ALARM, the Intelligence and Policy Manager keeps informed of developments in risk and resilience matters. Along with the Director of Strategy and Resources and colleagues from the council's Resilience and Emergencies Team, the Intelligence and Policy Manager attends the West Yorkshire Prepared annual symposium.

¹⁰ The National Security Risk Assessment is the government's assessment of the most serious risks facing the United Kingdom

¹¹ Core Cities UK is an alliance of 11 cities - Belfast, Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham, and Sheffield. Its mission is to unlock the full potential of our city regions to create a stronger, fairer economy and society.

¹² ALARM is a risk management organisation that develops industry leading best practice for those managing risk and insurance.

60. Clear systems and processes in place

61. Systems for risk management are well established across the council, supported by reporting timetables, and are very much “business as usual” within services. Details of the timetables are made available to staff via the routine risk management meetings (point 47 above) and the Risk Reporting Teams site.

62. Risk updates are administered via the Risk Management System SharePoint site (see Define and Document, point 15), with each individual corporate and directorate risk having its own page on the site. Relevant staff are required to update the risks with progress comments and any changes to the risk details as required e.g. changes in ownership, rating, controls, and actions. The Review and Refine section of this report includes the outcomes from a survey undertaken with RMS users.

Meaningfully Monitor

63. General

64. The need to meaningfully monitor, update and report risks is a key part of the Risk Management Process, as outlined in sections 5 and 6 of the following diagrams:



65. Routine reporting takes place on risk management matters as follows:
66. Corporate and directorate risks are reviewed quarterly by the key contacts and risk owners to ensure the risks are kept 'live' and they promptly reflect the controls and actions taken to mitigate or manage them. Intelligence and Policy staff check the details for each risk on the Risk Management SharePoint site to confirm whether they have been reviewed and updated that quarter and follow up any where this does not appear to be the case. The Intelligence and Policy Manager also undertakes a more in depth peer review on corporate risk details during the year and any feedback forms part of the routine risk review process. The risks are reported in the first instance to the relevant directorate management teams, which acts as clearance for the corporate risks to be submitted to Corporate Leadership Team for collective review and discussion.
67. Currently a 'Risk and Resilience' report covering the three areas of risk, emergency planning and business continuity management is reported to each Directorate Management Team¹³ (DMT), presenting a comprehensive picture of risk and resilience matters. Any significant emergency planning and business continuity aspects that need to be reported to CLT are done so as part of the 'Major incident' resilience risks included in the report.
68. Risks are usually reported on the same DMT and CLT agendas as performance, facilitating an integrated reporting approach. Many key performance indicators act as an early warning system for risks.
69. Members of Intelligence & Policy currently attend the DMT and CLT meetings to present the reports and answer questions on their content. Representatives from the Intelligence and Policy can also attend Service Leadership Teams to matters of a more operational nature e.g., discussions on new risks and threats facing the service and risk training and workshop requirements and feedback.
70. Following the discussion of risks at CLT, a copy of the Corporate Risk Register is sent to all Executive Board members for information. The format of the risk register circulated includes the description of each corporate risk; risk ownership responsibilities (both director and Elected Member), the current risk rating and direction of travel, summary details of progress made against the risk actions and (where applicable) any new and emerging threats.
71. 'Being open, honest and trusted' is one of the Council Values and this includes the reporting and constructive discussion of risk and resilience at all levels. Decisions are required to be made with proper consideration of risks, including:
- Potential new risks and threats identified are raised and reported to the relevant level for consideration.
 - When risks are increasing in significance, or showing other early warning indicators, they can be escalated to the correct level to enable decisions about how to manage/mitigate them to be made.

¹³ DMTs consist of the Director and Chief Officers for the services within the directorate.

- Lessons learned from significant control failures and ‘near misses’ can be identified and discussed. One of the recommendations from Internal Audit’s most recent routine review of the corporate risk management function (detailed in the Review and Refine section of this report) was to formalise ‘lessons learned’ reviews where risks have materialised internally and externally so that we can identify how they could have been more effectively mitigated through our risk management arrangements. A recent example of lessons learned work relates to the outcomes from the Grenfell Tower Inquiry.
- Services and directorates are able to raise matters about areas where improvement is required and report the actions being taken so that a collective discussion can take place to identify any further solutions.

72. Risk assurance

73. The main sources of assurance that the corporate and directorate risks are being effectively managed and kept “live” are:

- The regular review and update of each risk on the RMS by the risk owner or key contact along with the recording of progress comments against each one.
- Peer review checks undertaken by Intelligence and Policy staff on the risks. Feedback on the outcomes of the checks is provided to relevant risk key contacts for further action.
- The reporting of the risks to the relevant DMT and to CLT, with attendance at those meetings by the Intelligence and Policy Manager to ensure the reports and the key messages in them are given appropriate consideration.
- The Annual Corporate Risk Report discussed by Executive Board, along with the circulation of the Corporate Risk Register to Executive Board members after its periodic consideration at CLT.
- The Annual Corporate Risk and Resilience Assurance Report reviewed by the Corporate Governance and Audit Committee.
- During the past municipal year, more detailed “deep dive” reviews have been undertaken by Intelligence and Policy on some of the corporate risks in conjunction with the teams responsible for managing them (see points 39 and 40 above). These reviews, which compliment the regular review and update of the risks to DMTs and CLT, provide an opportunity for two way feedback with the teams and the opportunity to review the scope, risk rating, existing controls and the roles and responsibilities.

74. Risks identified and mitigated.

75. New risks are identified from a variety of internal and external sources including Directorate Management Team meetings, Corporate Leadership Team, from conversations with services, through horizon scanning, and via the West Yorkshire Prepared and the Yorkshire and the Humber Risk and Capabilities working groups. Arrangements are in place for the Contact Centre to act as a barometer for the problems the public is experiencing with council services, and feedback and escalation processes have been established so risks that are identified through this channel are appropriately captured and mitigated.

76. A risk prompt checklist is included as an appendix to every routine risk report for council DMTs. The checklist provides a series of prompts and questions aimed at helping DMTs to identify new risks and threats, and to consider whether they need to be discussed at the DMT meeting or even escalated to CLT.
77. The work of West Yorkshire Prepared informs the review and update of the council's corporate risks on City Resilience and Council Resilience, derived from the National Security Risk Assessment and the Community Risk Register (point 15 in Define and Document).
78. The guidance and template for council Committee and Executive Board reports for decision making includes the requirement for report authors to detail the key risks relevant to their report and how they are proposed to be managed. The Intelligence and Policy Team reviews these reports at draft stage and are able to provide feedback and suggestions to the authors on the risk information included.
79. Through membership of the Institute of Risk Management and ALARM, the Intelligence and Policy Manager is able to attend seminars and networking events at which new and emerging risks are discussed.
80. Escalation process in place and used appropriately.
81. The internal reporting process outlined in the Risk Policy and Strategy facilitates the raising and discussion of new and emerging risks and threats at service and directorate management teams and encourages the escalation of risks to a higher-level risk register where necessary. All Directors have the opportunity to raise prospective risks to Corporate Leadership Team at any time and through routine quarterly risk reporting. The quarterly risk reports include a prompt asking whether there are any new risks to add and whether any existing risks need to be changed.
82. CLT has the final approval for any new risks proposed for escalation onto the Corporate Risk Register. Should a risk or threat of an urgent nature arise, this can be escalated immediately to the relevant Directorate Management Team and the Corporate Leadership Team for discussion and action as required.
83. Benchmarking
84. In 2023/24 the council's Intelligence and Policy Team co-ordinated a review comparing the strategic risks of the UK Core Cities. This review aimed to identify the similarities and differences between the strategic risks on the Core Cities risk registers, how they are described and their ratings. The next Core Cities strategic risk review is scheduled for 2025, although in the meantime any new and emerging risks can be raised and discussed at the periodic meetings held with the risk contacts (point 47 above).

85. Corporate risk trends

A useful aspect of monitoring is to look at changes in the corporate risk register over time. A comparison of the risks included in the Annual Corporate Risk Reports to Executive Board highlights the following changes over time:

Date	Corporate risks	Very high rated	Comments
2012	17	4	Red risks: Safeguarding children failure, Major flooding, Insufficient school places and Medium term financial strategy.
2017	19	6	Red risks: Safeguarding children failure, Safeguarding adults failure, Major incident in the city, Major incident in the council, Major flooding, Insufficient school places.
2019	20	5	Red risks: Major cyber incident, Safeguarding children failure, Major incident in the city, Major incident in the council, Insufficient school places. Two risks were rated as Low. Note: Risk register was pre pandemic.
2021	23	8	Red risks: Coronavirus, Major cyber incident, Safeguarding children failure, Safeguarding adults failure, Major incident in the city, Major flooding, Climate change and Economic growth lag. Note: Risk register compiled during the pandemic.
2024	23	13 (11 at time of writing)	Red risks: Major cyber incident, Safeguarding children failure, Safeguarding adults failure, Major incident in the city, Major flooding, Climate change, In-year budget, Medium term finance strategy, Workforce, Escalating poverty, Community cohesion Care market sustainability* and Infectious diseases* Notes: Risk register is post pandemic. * Risks subsequently reduced to a High rating at next routine review.

Source: Details taken from the Annual Corporate Risk Reports to Executive Board (June/July)

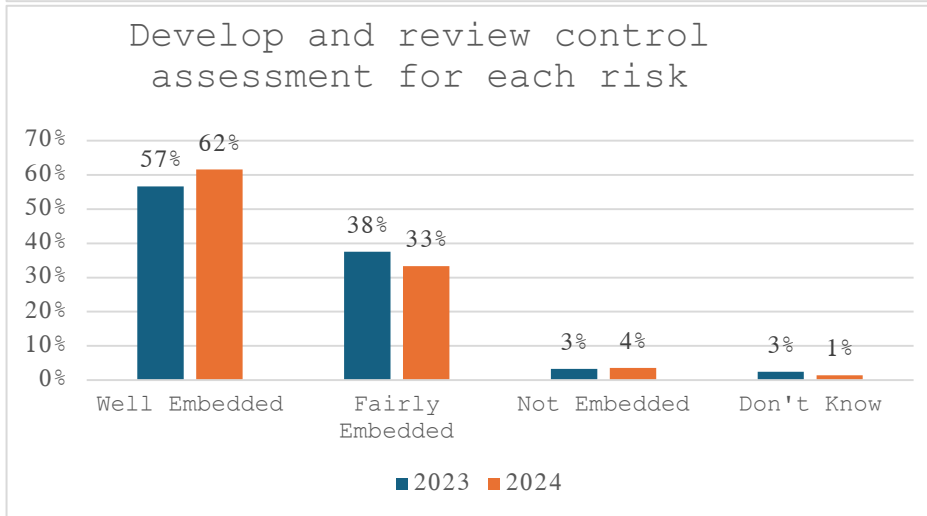
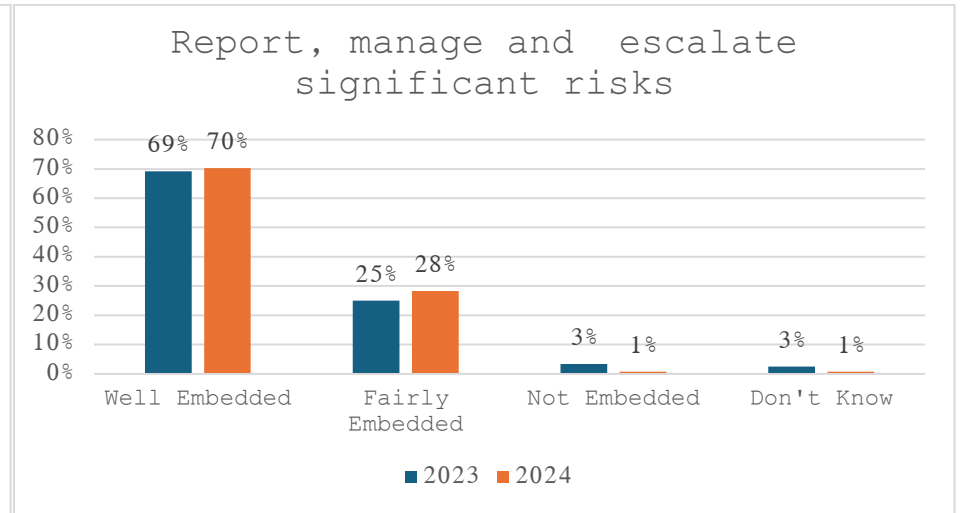
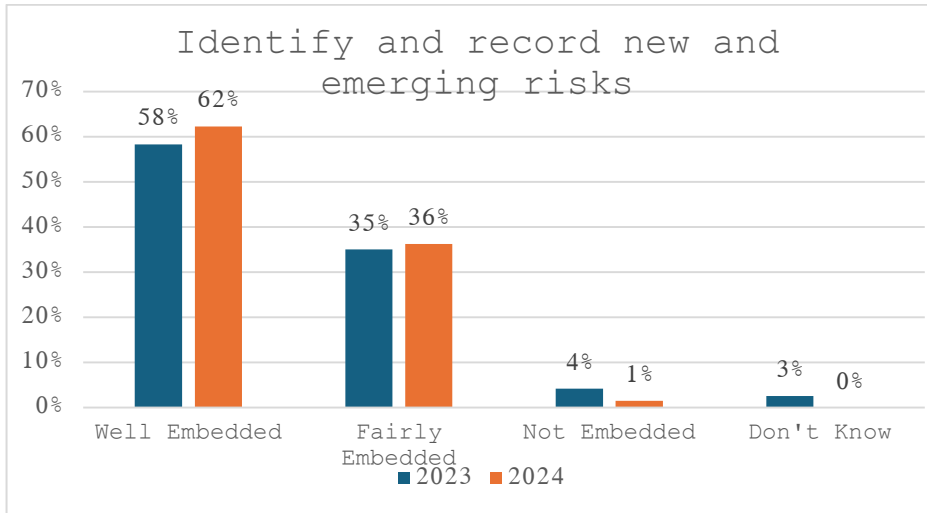
86. The increase in the number of corporate risks and those rated as “Very high” reflects the increasingly challenging nature of local government.

Review and Refine

87. Up to date and fit for purpose.
88. The Policy and Strategy were recently refreshed, mainly to reflect changes to council terminology, and were approved by the council's Corporate Leadership Team on 31st October 2023. A more substantial review is planned for 2025/26 which will be timely following the appointment of a new Chief Executive.
89. Survey of Internal Control
90. In Spring 2024, the council undertook its annual Survey of Internal Control¹⁴ to provide assurance in relation to all key systems of internal control by seeking an assessment from operational managers as to whether the arrangements underpinning the Corporate Governance Code and Framework are working as intended.
91. There was a small increase in the number of responses to the 2024 survey; 138 compared to 120 in 2023. The responses to the three questions asked in the survey about the risk management arrangements were:
- 98% of respondents thought the arrangements to identify and record new and emerging risks were “well embedded” or “fairly well embedded”, showing an improvement compared to 93% in 2023.
 - 98% of respondents thought the arrangements to report, manage and where necessary, escalate significant risks were “well embedded” or “fairly well embedded”, showing an improvement compared to 94% in 2023.
 - 95% of respondents thought the arrangements to develop and review the control assessment for each risk were “well embedded” or “fairly well embedded” the same proportion as 2023.
92. The results are encouraging and show, in one case the same result, and for the other areas, an improvement since 2023; this indicates that whilst there is always scope for improvement, good progress has been made over the last year. Recent increases in requests for risk training and workshops, such as those delivered or in progress for the Climate, Energy and Greenspaces Service, City Development Operations and Active Leeds Service, the School's Library Service and the council's Insurance Team provide opportunities to improve these results. In addition, a “Let's Talk – Risk Management’ on-line course, available through PALS, has been developed and successfully delivered to a number of cohorts with more sessions in the pipeline.

¹⁴ A smart survey conducted amongst senior officers to support the review of internal control underpinning the Council's Annual Governance Statement

Survey of Internal Control Risk Management Results



93. Reporting arrangements

94. Work is planned to enhance the format of the risk reports by developing a risk dashboard which will provide an “at a glance” overview of the risk environment for CLT and for each directorate. This work will consider the use of Power BI, a data visualisation tool, to help produce the dashboards.

95. Internal Audit review

96. During 2023/24, the corporate risk management function was subject to a routine review by the council’s Internal Audit service. Progress made in addressing the recommendations is recorded and monitored through Internal Audit’s recommendation tracker spreadsheet. The key recommendations from the review addressed during 2024/25 were:

- The need to formalise ‘lessons learned’ (seen at point 71 above).
- The development of a risk management communication plan.
- Development and delivery of the ‘Let’s talk - risk management’ sessions (points 33 to 35 above).

97. A recommendation still outstanding is the development of an e-learning package for risk management, which is currently in progress.

98. Opportunities for improvement

99. A summary of the areas where further work is to be completed during the next twelve months is seen in the table below.

Define and Document	<ul style="list-style-type: none"> • Undertake the next periodic review of the Corporate Risk Management Policy and Strategy
Clearly Communicate	<ul style="list-style-type: none"> • Publicise the Corporate Risk Management Policy and Strategy following the review and update. This includes a refresh of the internal and external risk management pages (Insite and Leeds.gov).
Effectively Embed	<ul style="list-style-type: none"> • Finalise and launch the risk management e-learning offer. • Continue to offer the Let’s Talk Risk management sessions to council staff and review the feedback from the sessions to identify any improvements required to the training.
Meaningfully Monitor	<ul style="list-style-type: none"> • Undertake further “deep dive” reviews on an additional sample of corporate risks. • Contribute to the next periodic review of the Core Cities strategic risk register and evaluate the results.
Review and Refine	<ul style="list-style-type: none"> • Consider the development of Risk Dashboards (using Power BI) as a way of enhancing the level of risk information for use in decision making.

Introduction

1. This report provides the Corporate Governance & Audit Committee with assurances relating to the adequacy of the emergency planning and business continuity management controls currently in place in the council; that they are up to date, fit for purpose, embedded and routinely applied.
2. The information in this appendix is based around a 'cycle of internal control framework' which consists of five aspects, seen in the diagram opposite.
3. Emergency Planning relates to how the council prepares and responds to risks and emergencies.
4. Business Continuity Management is a process that helps manage risks to the smooth running of an organisation or delivery of a service, ensuring continuity of critical functions in the event of a disruption, and effective recovery afterwards.
5. The term 'resilience' covers both emergency planning and business continuity work streams.
6. The need for the council to have resilience arrangements remains essential.
7. Through the arrangements outlined in this report, the council seeks to further embed an effective resilience culture across its values, and in the behaviour of all its staff and elected members. This responsibility extends to managing risks and how we respond to them with our key partner organisations to ensure they are aware of and are compliant with our Resilience, Emergency Planning & Business Continuity Policy.



Define and Document

Policies and Strategies

8. The Councils **Resilience, Emergency Planning (EP) and Business Continuity (BC) Policy** was reviewed and signed off in October 2023 (review schedule is 3 yearly). The policy is a framework for resilience and emergency response and preparedness work, outlining the legislative duties under the Civil Contingencies Act 2004 and how Leeds City Council works to meet those duties.
9. The Resilience, EP and BC Policy considered the Civil Contingencies Act 2004, the NHS Core Standards for Emergency Planning Resilience and Response (EPRR) and NHS England business continuity management framework with regards to Resilience.
10. Under the Civil Contingencies Act (CCA) 2004, an 'emergency' is defined as:
 - an event or situation which threatens serious damage to human welfare in a place in the United Kingdom
 - an event or situation which threatens serious damage to the environment of a place in the United Kingdom, or
 - war, or terrorism, which threatens serious damage to the security of the United Kingdom
11. Business Continuity Management (BCM) is a process that helps an organisation to continue to provide its critical or prioritised services or functions in the event of an incident or disruption. The council recognises the benefits of having efficient and effective business continuity management arrangements in place. Not only is Business Continuity Management (BCM) good practice, it is also a requirement of the Civil Contingencies Act (CCA) 2004, which made it a statutory duty of all Category 1 responders (which includes local authorities) to have in place business continuity plans (BCPs).
12. To help comply with the Civil Contingencies Act (CCA), the council uses guidance contained within BS ISO 22301:2012 'Business Continuity Management Systems', which specifies the requirements to implement, maintain and improve a management system to protect against, reduce the likelihood of the occurrence of, prepare for, respond to and recover from disruptions when they arise.

Key plans and documents

13. Underpinning the Resilience, Emergency Planning (EP) and Business Continuity (BC) Policy are the following key plans and documents:
 - The Major Incident Response Plan (MIRP), Specific Emergency Plans and Incident Response Plan: contacts (IRP) are maintained on the council's Resilience and Emergencies Team Microsoft Teams site: 'The Emergencies Handbook'. These specific emergency plans outline the authority's response to an identified risk occurring and the measures put in place to mitigate the impact on those people affected. The Incident Response Plan (IRP) details internal and external key contacts and supporting documents for strategic, tactical and operational officers. The Emergencies Handbook includes functionality for the notification of any changes in the key contacts.

- Over 80 Business Continuity Plans (reviewed 2023) covering the council's critical services. The Business Continuity Plans (BCPs) are documented procedures that guide services to respond, recover, resume, and restore continuity of the services and functions in the event of an emergency or disruptive incident. The key areas included within the plans cover loss or disruption to staff, resources, buildings and work environment, information communications technology, data, and suppliers and contractors.
 - All services within LCC are currently undertaking a Business Impact Analysis (BIA) exercise, that informs which of their Critical Functions are of a level of risk warranting a Business Continuity Plan (BCP). The new Business Continuity Plan (BCP) template does not ask a service area of a critical function to explore mitigating measures for each risk area (as outlined above), but rather takes into consideration all risk and threat possibilities with the plan outlining measures required to ensure its continuance. This is explained further at points 26, 55 and 56. During this transitional phase the previous 84 Business Continuity Plans (BCPs) remain in place, until a new plan is produced.
 - These arrangements take into consideration the National Security Risk Assessment (NSRA), published by the Cabinet Office. The National Security Risk Assessment is the government's principal tool for identifying, assessing and comparing the most significant acute risks to the UK. The Assessment is produced using a rigorous and well-tested methodology, based on international best practice. The National Security Risk Assessment supports operational risk management, planning and responses in all tiers of the UK resilience system and also serves as a framework for strategic risk management decision making. The most recent edition, published in May 2023, contains risks covering aspects such as terrorism, cyber-attack, major social care provider failure and various types of adverse weather. The public facing version of this document, The National Risk Register (NRR), sets out 89 of the most serious risks that would have a significant impact on the UK's safety, security or critical systems. The Assessment is also used to inform the more local West Yorkshire Community Risk Register (WYCRR), and together these inform the review and update of the council's corporate risks on City and Council Resilience (LCC01 and LCC02) arrangements.
14. The Major Incident Response Plan (MIRP), Incident Response Plans (IRP), specific emergency plans and Business Continuity Plans (BCPs) are held in electronic form on The Emergencies Handbook which provides a central location for the documents so they can be quickly accessed in the event of a disruptive incident. An additional copy of each plan is held on the externally hosted Resilience Direct site, which can be accessed if the council network becomes unavailable. Physical copies of all plans are held in the event of an incident involving loss of data or power, at key locations and by each of the Emergency Planning Officers.

Roles and responsibilities

15. The Civil Contingencies Act (CCA) 2004 imposes a clear set of roles and responsibilities on those organisations with a role to play in preparing for and responding to emergencies. The Act requires all Category 1 responders to maintain plans to ensure they can continue to exercise their functions in the event of an emergency so far as is reasonably practicable (Business Continuity Management). The maintenance of plans to prevent emergencies and reduce, control and mitigate the effects of an emergency, should it occur, are also Category 1 responder duties under The Act (Emergency Preparedness).

16. The council's Resilience and Emergencies Team lead on the co-ordination of the authority's emergency planning and business continuity functions.
17. Emergency Planning responsibilities include: maintaining the council's Resilience, Emergency Planning and Business Continuity Management Policy, maintaining emergency plans, warning and informing businesses and residents of Leeds of ongoing or expected incidents, development and delivery of training and exercises to ensure emergency arrangements are validated. The Resilience and Emergencies Team provide emergency planning capacity "24/7" so that emergencies can be responded to at all times including 'out of hours'.
18. Business Continuity Plans are owned and maintained by the respective critical services within the five council directorates. The Resilience and Emergencies Team Business Continuity Management responsibilities are: providing guidance and support to service managers across the council on matters such as the development of new business continuity plans, their annual review and update, and facilitating exercises with services to test their plans. Business Continuity Management guidance and advice can also be provided to external organisations if requested.
19. The main roles and responsibilities for Emergency Planning and Business Continuity within the council, as documented in the Resilience, Emergency Planning and Business Continuity Policy, are:

Entity	Roles and responsibilities
Elected Members	
Executive Board, Council Leader and Deputy Leader	<p>Ultimate responsibility for ensuring that the council has effective emergency planning and business continuity management arrangements lies with the Executive Board. Executive Board receives an annual update on this work from the Director of Strategy & Resources.</p> <p>Responsibility for ensuring that the council has effective risk and business continuity management arrangements lies with the Leader of the council, and the Deputy Leader, Executive Member for Resources has responsibility for emergency planning arrangements. These responsibilities have been delegated to the Director of Strategy & Resources. As with all executive delegations to officers, the portfolio holders may require, or the director may choose, to refer a matter to the Executive Board.</p>
Corporate Governance and Audit Committee	The Corporate Governance and Audit Committee is responsible for reviewing the adequacy of the council's governance arrangements. The Committee receives an annual assurance report on our emergency planning and business continuity management arrangements from the Director of Strategy & Resources and uses this to monitor, review and scrutinise these arrangements and their implementation. Furthermore, the Committee

Entity	Roles and responsibilities
	<p>can provide challenge on the arrangements to manage specific risks and reviews the Resilience, EP & BCM Policy.</p> <p>The Committee approves the Annual Governance Statement which incorporates arrangements in relation to emergency planning and business continuity.</p>
Elected Members	<p>All Elected Members have a responsibility to understand the council's emergency planning and business continuity management arrangements and the risks facing the authority.</p> <p>Elected Members' awareness of civil protection and emergency preparedness arrangements contributes to the successful outcomes of an emergency incident and ultimately, the return to normality. A Council Yearbook is provided to all Elected Members which outlines contact information, communication flows and what to expect in an emergency. Regular training is delivered to Elected Members on Civil protection and Emergency Preparedness.</p>
Council staff	
Corporate Leadership Team ¹	<p>The Corporate Leadership Team (CLT) has responsibility for ensuring that there are appropriate arrangements in place to manage emergencies or disruptions, both those within their respective directorates and with a cross-cutting or wider impact.</p> <p>CLT is ultimately responsible for ensuring that the council has effective and appropriate arrangements in place at a corporate level to manage emergencies or disruptions which affect multiple services. They are responsible for the strategic management of incidents with a cross-cutting or wider impact. This may necessitate managing an incident which affects both the community and the council's ability to deliver its own services simultaneously and may require the activation of specific plans within the Emergencies Handbook.</p> <p>CLT members make up the Strategic level of the council's response structure and offer direction to staff at Tactical and Operational levels.</p>
The Director of Strategy & Resources	The Director of Strategy & Resources has specific responsibility for providing assurances to the Executive Board and the Corporate Governance and Audit Committee on the adequacy of our risk management

¹ Corporate Leadership Team consists of the council's Chief Executive and Directors, supported by Chief Officers with statutory roles including the Director of Public Health, Chief Financial Officer (Section 151) and City Solicitor.

Entity	Roles and responsibilities
	arrangements. In addition, the Director of Strategy & Resources holds delegated authority to approve changes to the Resilience, EP & BC Policy on behalf of the Executive Board.
Directorate Management Teams (including Senior Managers)	<p>Directorate Management Teams² responsibilities include ensuring that the resilience arrangements are in place within their services.</p> <p>Responsible for ensuring that critical services or functions within the directorate are identified and that suitable arrangements are developed, implemented and maintained to plan for and respond to emergencies and disruptions.</p> <p>Develop Business Continuity Plans and ensure they are fully implemented including staff awareness of their business continuity roles and responsibilities. Ensure annual reviews are completed and that Business Continuity Plans are maintained to reflect current practice.</p> <p>Ensure that testing and exercising of Business Continuity Plans and Incident Response Plans is carried out robustly and that any findings are acted upon in the spirit of continual improvement.</p> <p>Where necessary, some directorates have service teams that meet to discuss and review business continuity management and emergency planning matters at a more operational level. Any significant matters arising from the service teams meetings are escalated to the Directorate Management Team for further discussion and action.</p>
Strategy and Performance Service	Central responsibility for Emergency Planning and Business Continuity Management falls under the Strategy and Performance (Resilience and Emergencies Team).
All staff	<p>All staff have a duty to consider the risks to the achievement of their day-to-day objectives and the council's outcomes and priorities. They should also ensure that any risks which they cannot manage or that have a wider impact are escalated to their managers.</p> <p>Staff have a responsibility to obtain a basic level of business continuity and emergency planning/response awareness through briefings and training. This extends to understanding their roles and responsibilities during an emergency or incident.</p>

² Directorate Management Teams consist of the relevant Director and Chief Officers and meet regularly to discuss issues affecting the directorate and its services. Other staff e.g., Heads of Service may be required to attend DMTs for specific items.

Entity	Roles and responsibilities
	Staff may be required to participate in exercising and testing resilience plans relevant to their service area.

20. The general roles required for emergency planning and business continuity are seen in the table below:

Role	Responsibilities
Emergency Planning	
The council operates a command structure which is in line with JESIP: the Joint Emergency Services Interoperability Principles. Historically the council used a “Gold, Silver and Bronze” structure for the different response levels, which has recently been replaced with “Strategic, Tactical and Operational” as seen below	
Strategic level co-ordinating group (SCG)	Considers the emergency in its wider context and determines long term impacts and risks; defines and communicates overarching strategy and objectives for the response
Tactical level co-ordinating group (TCG)	Jointly conduct the overall management of the incident; determining priorities for allocating available resources and seeking additional resources if required, planning and coordinating tasks, assessing risks and uses this to inform tasking of operational commanders
Operational level – responder organisations	Implements the tactical plan, commands the single organisation response and co-ordinates actions
Single points of contact (SPOC)	The Emergency Planning Officers act as a SPOC for each directorate, for all Resilience matters. The single points of contacts ensure that <ul style="list-style-type: none"> • data protection requirements are obtained for all contacts listed • amendments are made in the Emergencies Handbook to ensure that key contact details remain up to date
Key stakeholders	All contacts listed within the Incident Response Plan are identified as being key stakeholders. These operational level officers would activate the tactical level response that their service or team can offer to support the overall incident management.

Role	Responsibilities
Business Continuity Management	
Business Continuity Plan Owner	The person responsible for the Business Continuity Plan and who will activate it should a disruptive event occur. The Plan Owner is usually Chief Officer or Head of Service.
Business Continuity Plan Key Contact	The Key Contact has responsibility for the day-to-day administration of the Business Continuity Plan including its annual review and update. There may be more than one Key Contact for each plan.

Democratic Oversight

21. The corporate risk register continues to house those risks of significant, cross-cutting importance that require the attention of the council's most senior managers and elected members. LCC01(City Resilience) and LCC02 (Council Resilience) are the risks which relate directly to Resilience. The joint risk owners of these risks are the Director of Strategy & Resources, Chief Officer Strategy & Performance and Head of Corporate Support who are accountable for their management. The Executive Board, as a whole, retains ultimate responsibility.
22. The Annual Corporate Risk and Resilience Report to Executive Board includes summary assurances for all corporate risks rated as 'High' or 'Very High'. The assurances include details of what the risks are, the main controls in place to manage them, any further work required and signposting to additional relevant information and reports. The Annual Corporate Risk and Resilience Report is also provided to the Strategy & Resources Scrutiny Board.
23. In addition to the democratic accountability, further oversight is provided via this annual report on the Resilience arrangements to the Corporate Governance & Audit Committee. From this report, the Committee gains assurance that the arrangements are fit for purpose, up to date and routinely complied with.

Clearly Communicate

Guidance and information

24. The main source of Emergency Planning information and guidance within the council is the Emergencies Handbook. Membership of this site is determined by stakeholder role; if a person or job role has a role and/or responsibility in any Incident Response Plan activation. The Incident Response Plan and Specific Emergency Plans, training documents, supporting documents and link to incident response management page are all contained within this site.

25. The [Resilience and emergency planning INSITE](#) and Leeds.gov [Emergencies](#) page contain more generic information on Emergency Planning, the latter including information on risks, how to prepare for an emergency and flooding.
26. The main source of Business Continuity guidance and information within the council are the Emergency Planning Officers in the Resilience and Emergencies Team. Following the audit and review of the Business Continuity Management process and all Business Continuity Plans (reported in the Nov 2023 CGAC report) which concluded in December 2023, the team have reviewed the toolkit previously located on Insite. In early 2024 the new toolkit was launched and emailed to more than 300 teams in LCC to commence a thorough review of all critical functions. The new toolkit comprises Business Impact Analysis (with guidance) and Business Continuity Plan template, which now include a summary of the relevant information contained in the Community Risk Register and Civil Contingencies Act 2004. The completion of a Business Impact Analysis (BIA) automatically populates the content of the first draft Business Continuity Plan for the service to expand and finalise. The template documents are stored locally to the Resilience and Emergencies Team. The Business Continuity Management page on Insite has been reviewed to provide up to date information on the process and signpost to the Resilience and Emergencies team to support.
27. The Emergencies Handbook site is used to house and administer the Incident Response Plans and Business Continuity Plans. The Business Continuity Management section of the site includes guidance on how to complete a Business Continuity Plan for a service and a blank template ready to be populated.
28. The email addresses businesscontinuity@leeds.gov.uk and Emergency.planning@leeds.gov.uk are available for staff, Elected Members and the public to get in touch with the council regarding emergency planning and business continuity matters.
29. Leeds Alert is an alert network managed by the Resilience and Emergencies Team for businesses and organisations across the city. Leeds Alert is a free of charge service in which recipients will receive an email outlining hazards and threats facing the city e.g. severe weather, road closures, industrial action, demonstrations etc. There are currently 819 subscribers to this service. The Resilience and Emergencies Team also maintain the [@leedsemergency](#) X (formerly twitter) account which currently has 7,934 followers, which warns and informs in the same way as Leeds Alert. The email addresses, Leeds Alert and the X account are publicised on the [Prepare your business for an emergency](#) page on the council's Leeds.gov website.
30. The Resilience and Emergencies Team have responsibility for issuing internal Severe Weather Warnings. The platform Gov.delivery is utilised to create bulletins to advise of MET Office and Environment Agency warnings of an impending weather incident. Subscribers (currently totalling 249) to this service receive a tailored message for Leeds, advising of the possible impacts locally and also actions already taken by services. These bulletins link to the authority's Severe Weather Plan and also Business Continuity Plans.
31. Gov.delivery is also the platform used to issue Air Quality alerts. The long-term air pollution alert process is a sustainable method of informing the Leeds workforce, members of the public and those more vulnerable to high or very high levels of air pollution. This distribution list is maintained by the Authorities Public Health Team, but warnings are issued by RET. There are currently 568 subscribers to this service.

Training and Exercises: Emergency Planning and Business Continuity Management (BCM)

32. An elected members training package was developed in 2023 and delivered at a session in May 2024 for newly elected members, covering the role of elected members in civil emergencies. This training session included practical learning in the form of table-top exercise about emergency response and building community resilience.
33. Business Continuity Management training has not been delivered in 2024, however the Resilience and Emergencies Team have communicated with all services to deliver advice on the new BCM model (explained at point 26).
34. Resilience and Emergency Planning and Intelligence and Policy delivered a Heatwave webinar to Commissioned Services of Adults Social Care over two dates in June 2024.

Emergency Plan exercises

35. The Local Resilience Forum leads on, and facilitates, a comprehensive exercise programme to test the various plans and arrangements to deal with disruptive incidents and emergencies. This year the Local Resilience Forum have facilitated, with representatives from Leeds City Council taking part, the following:
- MACE (Multi-Agency Capability Event) (5th June): An exhibition of all Category 1 and 2 responders capabilities at Wetherby Racecourse, to enhance knowledge and awareness of multi-agency resources
 - FCP/TCG/SCG Training (13th May and 10th June): Table-top led discussions and exercises to enhance knowledge and awareness for responding at a Forward Control Point (FCP), and working within a Tactical Control Group (TCG) and Strategic Coordination Group (SCG)
 - CPD Event (12th July): A strategic level event offering professional development with the focus on operational response during a Heatwave and Water Safety during hot periods
 - Strategic Exercise (26th September): Looking at response to Heatwave and Wildfires
 - Unilever COMAH Exercise, Red October (9th October): A tactical and operational level exercise to test the response plan to an incident at the Top Tier COMAH (Control of Major Accident Hazards) site in Leeds
 - Midnight Belle (20th September): A live play exercise on 17th September followed by the table-top exercise testing the response to a Marauding Terrorist Attack (MTA) at Leeds Train Station
 - Exercise Solacium (15th October): A table-top discussion to explore the current approach and identify areas of learning for responding to incidents affecting Vulnerable Persons
36. The Resilience and Emergencies Team have facilitated table-top exercising and training with Rest Centre Volunteers over four dates in April and May 2024. The objective of these sessions was to build knowledge and awareness to aid the successful running of a Reception

Centre following an incident requiring an evacuation. This exercise also contributed to the successful achievement of Leeds City Council maintaining their Gold Pawprint Award from the RSPCA for the council's provisions of welfare to companion animals in an emergency.

37. All Emergency Planning Officers have attended formal training at the Emergency Planning College, and are certified to undertake the role.

38. Learning from these exercises is documented and reflected in the work of the Local Resilience Forum and feeds into the Service Plan of the Resilience and Emergencies Team.

Leadership

39. The Resilience, Emergency Planning and Business Continuity Policy is endorsed by both the Leader, Deputy Leader and Director of Strategy and Resources demonstrating the 'tone from the top' about the important role that Resilience plays within the council.

40. As detailed in the roles and responsibilities section of this report, members of Executive Board and the Corporate Leadership Team receive reports during the year, and they can request updates on specific resilience matters from the Resilience and Emergencies Team.

Effectively Embed

Stakeholder engagement

41. Key internal emergency planning and business continuity stakeholders have been identified (see roles and responsibilities table at points 19 and 20 above) and are recorded across in a series of documents and reports:

- Resilience, Emergency Planning and Business Continuity Policy
- Resilience & Emergencies Teams Site: The Emergencies Handbook
- Incident Response Plans
- Business Continuity Plans

42. Stakeholder engagement is via a range of methods that demonstrate both a 'top-down' and 'bottom-up' approach:

43. External stakeholders are mainly those who attend the West Yorkshire Resilience Forum, [West Yorkshire Prepared](#), which has responsibility for co-ordinating the actions and arrangements between responding services to prepare for and respond to civil emergencies when they occur. Stakeholders include representatives from West Yorkshire local authorities, West Yorkshire Police, West Yorkshire Fire and Rescue Service, Yorkshire Ambulance Service, the British Transport Police, the Military, Utilities, MET Office, Environment Agency and Health partners. Leeds City Council is represented at West Yorkshire Resilience Forum by:

- Interim Chief Executive Officer, Co-chair of the West Yorkshire Resilience Forum

- Resilience and Emergencies Team Manager, Chair of the Mass Fatalities sub-group
- Intelligence and Policy Manager, Deputy Chair of the Risk and Capabilities sub-group
- Emergency Planning Officers, members of all other sub-groups
- Communications & Marketing Team, Communications Officers 6-weekly meeting

The Local Resilience Forum meetings take place quarterly supplemented by regular exercises to test the plans.

44. Other external stakeholders include members of the public and businesses, with which the council has a duty to warn and inform of ongoing or expected incidents (see point 28 and 29 above).
45. At quarterly Directorate Leadership Team meetings the Resilience and Emergencies Team report on progress with the Business Continuity Management review, as well as key points of feedback from WYRF sub group meetings.
46. Internal stakeholders are regularly reviewed and updated to keep track of changes due to staff turnover. Additionally, the Resilience and Emergencies Teams site includes functionality to inform the site owners of any changes to the owners and key contacts for the plans i.e. new starters and leavers. The movers and leavers form with the Business Administration Service also captures details of stakeholders and prompts line managers to inform the Resilience & Emergencies Team.
47. Meetings take place (usually weekly) between the Resilience and Emergencies Team Manager and the Intelligence and Policy Manager to review and discuss work including:
- Organisational resilience preparedness
 - Items to include in the routine risk and resilience reports to directorates, committees and boards
 - Exercising and testing the organisations plans
 - Consideration of information cascaded to the council e.g. updates to the National Risk Register
48. Directorate Management and service team meetings provide the main opportunities to discuss risk and resilience aspects relevant to their areas such as new and emerging threats, feedback from the Local Resilience Forum, consideration of lessons learned from exercises and the external and internal testing of incident response and business continuity plans.

Clear systems and processes in place

49. Systems for emergency planning and business continuity are well established across the council and are very much “business as usual” within services.

50. The Incident Response Plan and specific Emergency Plans on the council’s Emergencies Handbook are maintained by the RET. The Teams site has a ‘notification alert’ button, that members can use to advise of contact number or personnel changes that need to be reflected in the plans. Changes are required to be reflected in the system within 48 business hours of notification.

Meaningfully Monitor

General

51. The need to monitor and update risks and plans is a key part of the emergency planning and business continuity process, illustrated in Diagram 1 (four phases of emergency management) and Diagram 2 (business continuity process) below:



Diagram 1

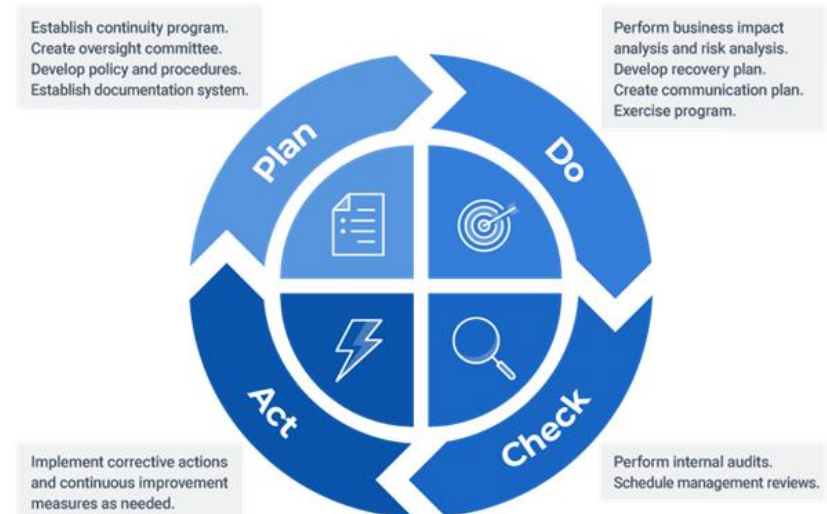


Diagram 2

52. Routine reporting takes place on emergency planning and business continuity matters as follows:

- Emergency Planning and Business Continuity updates are reported to each Directorate Management Team on a quarterly basis
- Members of the Resilience and Emergencies Team attend meetings to present the report and answer questions on their content

53. ‘Being open, honest and trusted’ is one of the Council Values and this includes the reporting and constructive discussion of risk and resilience at all levels. Decisions are required to be made with proper consideration of risks, including:

- new risks and threats identified are raised and reported to the relevant level for consideration

- when risks are increasing in significance, or showing other early warning indicators, they are escalated to the correct level to enable decisions about how to manage/mitigate them to be made
- lessons learned from significant control failures and ‘near misses’ are identified and discussed
- services and directorates are able to raise matters about areas where improvement is required and report the actions being taken so that a collective discussion can take place to identify any further solutions

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

55. The Resilience and Emergencies Team undertook an audit of all Business Continuity Plans in late 2023. The outcomes of this audit led to the Business Continuity Management model being reviewed and a new toolkit developed. The Resilience and Emergencies Team are currently meeting with over 200 teams to undertake an up to date Business Impact Analysis which assists in identifying critical functions and measuring the impact of key risks on those functions which informs the need for a Business Continuity Plan.

56. A breakdown of the work to date is as follows:

Directorate	Assessed - No BCP required	Assessed – BCP required	Work ongoing
Childrens & Families	2	2	27
Adults & Health	12	5	7
City Development	1	5	55
Communities Housing & Environments	5	10	40
Strategy & Resources	4	9	27

57. Business Continuity Key Contacts are working with the Resilience and Emergencies Team to review the BCPs with a target completion date early 2025. Annual review schedule will re-commence in April 2026.

58. Following the completion of assessing critical functions and creating Business Continuity Plans, the Resilience & Emergencies Team will be identifying areas of interdependency across all LCC services. Integrated Digital Services (IDS) will use the interdependencies list to inform their suite of Major Incident Plans to ensure all critical functions have support mechanisms embedded. All common risk areas will

be compiled within a new Corporate Business Continuity Plan to support all services, regardless of criticality, with issues such as building access and maintenance, communications, common IT issues, severe weather and staff shortages.

Risks identified and mitigated

59. The risks facing the UK are identified and assessed by the Cabinet Office and communicated via the National Security Risk Assessment. The West Yorkshire Resilience Forum produces a more local West Yorkshire Community Risk Register, and together these inform the review and update of the council's corporate risks.
60. The Resilience and Emergencies Team ensure there are plans in place to respond to the risks: the specific emergency plans on the Emergencies Handbook. The Business Continuity Management model is also mindful of the high and very high risks that could disrupt services.
61. Additionally, every quarter the Local Resilience Forum requests all partner organisations to submit their top three resilience risks, with the results of the submissions fed back for information, circulation and action.

Escalation process in place and used appropriately

62. The West Yorkshire Resilience Forum provides an opportunity to escalate, communicate and discuss resilience risks and threats of a regional nature.

Benchmarking

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

Review and Refine

Legislation and Guidance

64. The Civil Contingencies Act 2004 recently underwent a [post implementation review \(2022\)](#). The findings found that whilst the principles in The Act remain broadly effective, two main recommendations were made; to enhance accountability for multi-agency preparedness activities and to update the statutory and non-statutory UK guidance that accompanies The Act. The Resilience and Emergencies Team await further guidance and will make changes, where required, once published.

Fit for purpose

65. The Resilience, Emergency Planning and Business Continuity Policy has been recently refreshed, mainly to reflect council terminology, and was considered and signed off at Corporate Leadership Team on 31st October 2023.

Survey of Internal Control

66. In Spring 2024 the council undertook its annual Survey of Internal Control to provide assurance in relation to all key systems of internal control by seeking an assessment from operational managers as to whether the arrangements underpinning the Corporate Governance Code and Framework are working as intended.
67. There was a small increase to responses to the 2024 survey; 138 compared to 120 in 2023. The responses to the 2 questions asked in the survey about Business Continuity arrangements were:
- 89% of responders thought the Business Continuity plans developed for their service were 'well embedded' or 'fairly embedded'.
 - 86% of responders thought the arrangements for monitoring, testing and review of the Business Continuity plans were 'well embedded' or 'fairly embedded'.
 - 10% of responders thought the Business Continuity plans developed for their service were 'not embedded or 'don't know'.
 - 13% of responders thought the arrangements for monitoring, testing and review of the Business Continuity plans were 'not embedded or 'don't know'.
68. The results are encouraging overall. They show that a high number of officers have an awareness of the Business Continuity Management approach for the Authority. Those completing the survey who selected 'don't know' or 'not embedded' may well be those service areas that have not completed the new Business Impact Analysis document, with this being an ongoing project for 2024.

Opportunities for Improvement

69. A summary of the areas where further work is to be completed during the next twelve months is as follows:
- Creation of the new Corporate Business Continuity Plan detailing common risk areas and their mitigations, assisting Critical Functions Business Continuity Plans to be solely focussed on service specific issues,
 - Completion of assessing all 200+ services critical functions and identifying areas of interdependency with other service areas. This will be raised with those services that are dependent on, to enable them to include mitigations within their Business Continuity Plans. Integrated Digital Services (IDS) will be able to use this information to personalise their suite of Major Incident plans for the critical functions of LCC.

Counter Fraud Update Report April – September 2024

Date: 25th November 2024

Report of: Senior Head of Audit, Corporate Governance and 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 provides a summary of the counter fraud activity for the period from April to September 2024.

The work of the counter fraud team within Internal Audit, and from other services with counter fraud responsibilities, contributes to Leeds City Council achieving its key priorities by helping to promote a secure and robust internal control environment, which enables a focus on accomplishing the objectives of the Best City Ambition.

Recommendations

The Corporate Governance and Audit Committee is asked to receive the Counter Fraud Update Report covering the period from April to September 2024 and note the work undertaken by Internal Audit and other service areas during the period covered by the report (appendix A).

What is this report about?

- 1 This is a bi-annual update report providing an update on counter fraud and corruption activity.
- 2 The work of Internal Audit, including the counter fraud function within it, contributes to Leeds City Council achieving its key priorities by helping to promote a secure and robust internal control environment, which enables a focus on accomplishing the objectives of the Best City Ambition.

What impact will this proposal have?

- 3 The assurance set out in this report will inform the annual audit opinion given by the Chief Audit Executive (this title refers to the Senior Head of Audit, Corporate Governance and Insurance) and provide evidence of the ongoing review of the Council's arrangements for internal control supporting the Council's Annual Governance Statement. This also provides assurances to the Corporate Governance and Audit Committee regarding the effectiveness of counter fraud arrangements and the robustness of the system of internal control.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 4 Arrangements in respect of counter fraud and corruption support the ongoing delivery of the council's three pillars.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 5 The Internal Audit Plan, incorporating counter fraud activities, is developed in consultation with Members and senior management across the authority. Consultation around key fraud risks and priorities continues throughout the year, and continual engagement with directorates is driven through the ongoing completion of investigations and the agreement of the associated recommendations.

What are the resource implications?

- 6 Counter fraud activities within the internal audit plan are carried out within existing available resources. Updates received by committee provide assurance that effective arrangements are in place to combat the risk of fraud and corruption within the council.

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

- 7 The Counter Fraud update report contains details of key fraud risks and assurances around how they are being managed. Internal Audit work collaboratively with colleagues with counter fraud roles within the council including Risk Management.

What are the legal implications?

- 8 The Interim Assistant Chief Executive – Finance, Traded and Resources, 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 the counter fraud team within Internal Audit, and from other services with counter fraud responsibilities, combine to provide an important source of information for the Section 151 Officer in exercising her responsibility for financial administration.
- 9 The Public Sector Internal Audit Standards (PSIAS) require the Chief Audit Executive to deliver an annual audit opinion and report that can be used by the council to inform its Annual Governance Statement.

Options, timescales and measuring success.

What other options were considered?

- 10 The work of Internal Audit including the counter fraud function 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?

11 A successful counter fraud and corruption environment will protect the Council's resources, underpin the successful delivery of the Council's strategic objectives, and contribute to the value for money conclusion of the Council's external auditor when reviewing the statutory statement of accounts.

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

12 Work is ongoing as set out in the appendix attached.

Appendices

A – Counter Fraud Update Report – April – September 2024

Background papers

None.

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Corporate Governance and Audit Committee Work Programme and Members Development Plan 2024-25

Date: 25th November 2024

Report of: Interim Assistant Chief Executive Finance, Traded and Resources.

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's' and Council's ambitions.

- This report presents the work programme for the Corporate Governance and Audit Committee for the 2024-25 municipal year, setting out future business for the Committee's agenda, together with details of when items will be presented.
- The work undertaken by the Committee will provide assurance that arrangements for internal control support the delivery of the Council's strategic objectives.
- The report also includes the Member Development Plan for 2024-25 to provide all Members with core areas of knowledge in line with the guidance as detailed in the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committee – Practical Guidance for Local Authorities and Police 2022.

Recommendations

Members are requested to:

- a) consider and note the contents of the work programme and meeting dates at Appendix A, and
- b) note the content of the Member development plan at Appendix B and progress against the plan throughout the year.

Why is the proposal being put forward?

- 1 The Work Programme is a plan of work that ensures key assurance reports are received by the Committee and offers flexibility should the Committee wish to receive additional assurances from other areas, within the Committee's remit.

What impact will this proposal have?

Wards affected: None.

Have ward members been consulted? Yes No

- 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.
- 3 Audit Committees: Practical Guidance for Local Authorities and the Police (CIPFA 2022) sets out guidance on the function and operation of audit Committees in local authorities. The Guidance represents best practice for audit Committees in local authorities throughout the UK.
- 4 The Work Programme captures each of the Core Functions of the Committee and provides opportunity for engagement with the wider functions identified in the guidance as appropriate.
- 5 The development programme set out at Appendix B is designed to support the Committee in discharging its role and functions in line with the guidance.

What consultation and engagement has taken place?

- 6 The Work programme has been developed with consultation with assurance specialists and senior managers and is presented to the Committee for approval and will be presented at each meeting for the Committee to consider and amend as appropriate. This plan was presented and agreed at the Committee meeting in March 2024.
- 7 Also presented is the 2024-25 Member Development Plan which will be brought to the Committee on a regular basis for review and update and demonstrate the progress made against the plan throughout the year.

What are the resource implications?

- 8 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 legal implications?

- 9 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 (the Regulations) 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".
- 10 The Regulations further set out the requirements for publication and approval of the Council's accounts and accompanying statements, and the annual governance statement. The work programme set out reflects these requirements.

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

- 11 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.

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

Inclusive Growth Health and Wellbeing Climate Emergency

12 In providing a range of assurance as to the effectiveness of the Council's governance arrangements, the work of the Committee will contribute to the Council's ability to sustainably deliver its strategic priorities by achieving best value outcomes for the citizens and communities of Leeds, in a way which is both transparent and accountable.

Options, timescales and measuring success.

What other options were considered?

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

How will success be measured?

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

What is the timetable for implementation?

15 As set out at Appendix A and B

Appendices

- Appendix A –2024-25 Work Programme – November 2024
- Appendix B –2024-25 Members Development Plan – November 2024.

Background papers

16 None

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	Work Item	Author	Attendee	Category
24th June 2024				
1	Internal Audit update report	Angela Laycock	Angela Laycock Liz Gott	Internal Audit
2	Review of Internal Control – Governance Framework and Assurance Map	Kate Sadler / Liz Gott	Kate Sadler	Statutory
3	Informing the Audit Risk Assessment 22-23	Mary Hasnip	Mary Hasnip	External Audit
4	Receipt of External Auditors – Audit Plan 22-23	Mary Hasnip	GT	External Audit
5	Draft annual report 2023 / 2024 of CGAC to Council	Liz Gott	Kate Sadler	Effectiveness
6	Standing Item – Work Programme and Member Development Plan	Liz Gott	Liz Gott	Standing Item
29th July 2024				
1	Internal Audit Annual report and opinion (including assurance in respect of RIPA) 2023-24	Jonathan Foster	Jonathan Foster	Statutory
2	Draft Statement of Accounts (for information)	Mary Hasnip	Mary Hasnip	Statutory
3	Grant Thornton – Informing the Audit Risk Assessment 2023-24	Mary Hasnip	Grant Thornton	External Audit
4	Interim Annual Governance Statement (for information)	Kate Sadler	Kate Sadler	Statutory
5	Annual assurance report on decision making	Liz Gott	Liz Gott	Annual Assurance
6	Governance arrangements to support Core Business Transformation	Suzanne Hopes	Suzanne Hopes	Ad hoc Assurance
7	Standing Item – Work Programme and Member Development Plan	Liz Gott	Liz Gott	Standing Item
23rd September 2024				

	Work Item	Author	Attendee	Category
1	Annual assurance report on procurement policies and practices	Kieron Dennett Lewis Sinkala	Kieron Dennett Lewis Sinkala	Annual Assurance
2	Annual assurance report on planning regulation and enforcement arrangements	Helen Cerroti	David Feeney	Annual Assurance
3	Internal Audit update report	Angela Laycock	Angela Laycock Jonathan Foster Liz Gott	Internal Audit
4	Mid-year update of the ICO Action Plan.	Aaron Linden	Aaron Linden	Ad-Hoc Assurance
5	Receipt and approve of Audited Accounts and External Auditors Audit Report for 2022-23	Mary Hasnip	Mary Hasnip / Grant Thornton	Statutory
6	Grant Thornton – Receipt of External Audit Plan 2023-24.	Mary Hasnip	Grant Thornton	External Audit
7	Final Draft of Annual Governance Statement 2024	Kate Sadler	Liz Gott	Statutory
8	Independent Members of Audit Committee	Kate Sadler	Liz Gott	Ad-hoc
9	Standing Item – Work Programme and Member Development Plan	Liz Gott	Liz Gott	Standing Item
25th November 2024				
1	Receipt of External Auditor’s Annual Report setting out findings of 2023-24 Value for Money Review	Mary Hasnip	Grant Thornton	External Audit
2	Receipt of External Auditor’s IT report 2023-24	Mary Hasnip	Grant Thornton	External Audit
3	Financial Planning and Management Arrangements (including Treasury Management)	Richard Ellis	Richard Ellis	Annual Assurance
4	Corporate Performance Management Arrangements.	Emma Kamillo- Price / Mike Eakins	Emma Kamillo- Price	Annual Assurance

	Work Item	Author	Attendee	Category
5	Corporate Risk and Resilience Arrangements	Tim Rollett / Leanne Cummings	Tim Rollett / Leanne Cummings	Annual Assurance
6	Counter Fraud and Corruption – Update Report (April – September 2024)	Julia Brannon	Julia Brannon / Jonathan Foster	Bi-Annual Assurance
7	Standing Item – Work Programme and Member Development Plan	Liz Gott	Liz Gott	Standing Item
24th February 2025				
1	Internal Audit – Update Report	Angela Laycock / Jonathan Foster	Angela Laycock / Jonathan Foster	Internal Audit
2	Information Governance from Data Protection Officer and Caldicott Guardian	Aaron Linden	Aaron Linden Shona McFarlane	Annual Assurance
3	Integrated Digital Services (IDS) Governance	Andrew Byrom	Andrew Byrom	Annual Assurance
4	Receipt and approval of Audited Accounts and External Auditors Audit Report for 2023-24.	Mary Hasnip	Grant Thornton	External Audit
5	Final – Annual Governance Statement 2023-24	Liz Gott / Kate Sadler	Liz Gott / Kate Sadler	Statutory
5	Standing Item – Work Programme and Member Development Plan	Liz Gott	Liz Gott	Standing Item
24th March 2025				
1	Internal Audit – Annual Planning Report 2025-26	Jonathan Foster	Jonathan Foster	Internal Audit
2	Employment Policies and Procedures and Employee Conduct.	Jess Dolphin / Claire Matson	Andy Dodman	Annual Assurance
3	CGAC - Proposed Work Programme and Member Development Plan 25-26	Kate Sadler	Kate Sadler	Effectiveness

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Corporate Governance and Audit Committee – Development Plan 2024-25

The Development Plan set out below is designed to enable Members to develop and extend their knowledge in relation to the role and remit of the Corporate Governance and Audit Committee

Part A responds to CIPFA Audit Committees: Practical Guidance for local Authorities and the Police (2022) and provides development opportunities in relation to core areas set out at Appendix C of that guidance.

Part B provides for additional development opportunities to support Members in their role.

Status of delivery

Delivered	
Scheduled but to be delivered / Part delivered.	
Not yet scheduled.	

Part A – Core knowledge							
Core areas.	Details of core knowledge required	Content	Lead officer	Delivery method	Approx date of delivery	Update required	Status of Delivery
Organisational knowledge	<ul style="list-style-type: none"> An overview of the governance structures of the authority and decision-making processes 	<ul style="list-style-type: none"> Introduction to Exercising the Democratic mandate (description of Council structures) Members guide to decision making. 	Kate Sadler	Written material.	Provided via email – 10/06/24	All Members	Delivered
	<ul style="list-style-type: none"> Knowledge of the organisational objectives and major functions of the authority 	<ul style="list-style-type: none"> Best Council Ambition 					Delivered
Audit Committee Role and Functions	<ul style="list-style-type: none"> An understanding of the audit committee's role and place within the governance structures. Familiarity with the committee's terms of reference and accountability arrangements Knowledge of the purpose and role of the audit committee 	Introductory workshop: An effective audit committee (CIPFA Guidance) <ul style="list-style-type: none"> purpose functions resources independence skills 	Kate Sadler	Remote meeting	Delivered - 18/06/24	All Members	Delivered
Governance	<ul style="list-style-type: none"> Knowledge of the seven principles of the CIPFA/Solace Framework 2016 Knowledge of the requirements of the AGS 	AGS & covering report	Kate Sadler	Written material & Committee discussion.	Interim AGS presented at July 2024 meeting	All Members	Delivered

	<ul style="list-style-type: none"> How the principles of governance are implemented locally as set out in the local code of governance. 						
Values of Good Governance	<ul style="list-style-type: none"> Knowledge of the Seven Principles of Public Life. 	New Members Induction – Member’s Code of Conduct	Part of New Member Induction	New Member’s Induction	May / June 2024	All New Members	Completed
	<ul style="list-style-type: none"> Knowledge of the authority’s key arrangements to uphold ethical standard for both Members and staff. (e.g.: Code of Conduct) 	Corporate Governance Framework & Assurance Map; AGS & Covering report.	Kate Sadler	Written material & Committee discussion	AGS scheduled for July 2024 & September 2024 February 2025.	All Members	Part delivered
	<ul style="list-style-type: none"> Knowledge of the whistleblowing arrangements in the authority. 	Counter Fraud and Corruption update reports.	Julia Brannon / Jonathan Foster	Written material & Committee discussion.	To be provided as part of the Internal Audit update reports		Part delivered
Internal Audit	<ul style="list-style-type: none"> An awareness of the key principles of the PSIAS and the LGAN Knowledge of the arrangements for delivery of the internal audit service in the authority and how the role of the head of internal audit is fulfilled. Details of the most recent external assessment and level of conformance with the standards. 	Regular Internal Audit update reports	Angela Laycock	Written material & Committee discussion	Scheduled for June, September 2024 & February 2025	All members	Part delivered
		Introduction to Internal Audit	Angela Laycock / Jonathan Foster	Remote meeting / presentation	TBC	All Members	TBC
	<ul style="list-style-type: none"> Internal audit’s strategy plan and most recent audit opinion. 	Annual Audit Opinion.	Jonathan Foster.	Written material & Committee discussion.	Provided at Committee July 2024.	All Members	Delivered

External Audit	<ul style="list-style-type: none"> Knowledge of the role and functions of the external auditor and who currently undertakes this role. Knowledge of the key reports and assurances that external audit will provide. Familiarity with the auditor’s most recent plan and the opinion reports. Knowledge about arrangements for the appointment of auditors and quality monitoring undertaken. 	External Audit Workshop	TBC	Remote meeting	TBC	New Members to committee	TBC
		<ul style="list-style-type: none"> Regular update briefings Annual Report Contribution to committee meetings. 		Written material & Committee discussion.	Scheduled for June, September 2024 & February 2025 meetings	All Members	Part delivered.
Financial Management and Accounting	<ul style="list-style-type: none"> Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. 	New Members Induction.	New Members Induction	Remote meeting	May / June 2024	All Members	Completed
		Accounts Briefing	Mary Hasnip	Remote meeting	Prior to the approval of the accounts in September 2024.	All Members	Completed
	<ul style="list-style-type: none"> Understanding of good financial management practice as set out in the CIPFA FM Code and level of compliance with it. Knowledge of how the organisation meets the requirements of the role of the CFO, as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016) and the CIPFA Statement on the Role of Chief Financial Officers in Policing (2021) 	Annual assurance report on arrangements for financial management and planning	Richard Ellis	Written material & Committee discussion	Scheduled for November 2024 meeting	All Members	Scheduled – to be delivered.

	<ul style="list-style-type: none"> An overview of the principal financial risks the authority faces. 						
Counter fraud	<ul style="list-style-type: none"> An understanding of the main areas of fraud and corruption risk to which the organisation is exposed. Knowledge of the principles of good fraud risk management practice in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) Knowledge of the organisation’s arrangements for tackling fraud. 	Counter Fraud and Corruption update reports	Julia Brannon / Jonathan Foster	Written material & Committee discussion	To be provided as part of the Internal Audit update reports	All Members	Part Delivered
		Fraud and Corruption Workshop	Julia Brannon / Jonathan Foster	Remote meeting	TBC	All Members	TBC
Risk Management	<ul style="list-style-type: none"> Understanding of the principles of risk management, including how it supports good governance and decision making. Knowledge of the risk management policy and strategy of the organisation Understanding of risk governance arrangements, including the role of members and of the audit committee. Knowledge of the current risk maturity of the organisation and any key areas of improvement. 	Risk and Resilience Assurance reports	Tim Rollett / Leanne Cummings	Written material & Committee discussion	Scheduled for November’s Committee meeting.	All Members	Scheduled – to be delivered.
		Risk management workshop	Tim Rollett / Chris Shillito	Remote meeting	Session scheduled for Wednesday 13 th November @ 10am	All Members	Delivered

Treasury Management	<ul style="list-style-type: none"> Effective Scrutiny of Treasury Management is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management. The key knowledge areas identified are: <ul style="list-style-type: none"> regulatory requirements treasury risks the organisation’s treasury management strategy the organisation’s policies and procedures in relation to treasury management 	Annual assurance report on arrangements for financial management and planning	Richard Ellis	Written material & Committee discussion	Scheduled for November 2024 meeting	All Members	Scheduled – to be delivered.
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Part B – Supporting Development				
Area of development	Details of development offered	Content	Lead officer	Delivery method
Information Management and Governance	<ul style="list-style-type: none"> Mandatory IMG training 	IG related legislation, local policies, and information security	Aaron Linden	E-learning (PAL)
	<ul style="list-style-type: none"> Information Governance Assurance Report 	Joint Annual Report on Information Governance & Caldicott Guardian	Aaron Linden	Written material & Committee discussion. Scheduled for February 2025
Governance Tools and Techniques	<ul style="list-style-type: none"> Cycle of Internal Control 	Quick guide to Cycle of Internal Control	Kate Sadler	Written material & Committee discussion

Part B – Supporting Development				
Area of development	Details of development offered	Content	Lead officer	Delivery method
Human Resources	<ul style="list-style-type: none"> Overview and insight regarding Human Resources 	Presentation by the Chief Officer – Human Resources.	Andy Dodman	Ms Teams session Friday 21 st March 2025 at 10am. (Invites have been issued)
Integrated Digital Service (IDS)	The Interim Chief Officer for IDS offered Members an overview on the Council's approach to Cyber Security.	This will be offered to ALL elected Members. The session will provide Members with the approach LCC takes to Cyber Security as well as offering examples on the impact Cyber Security can have on organisations.	Andrew Byrom	Add to Elected Members Winter Development Schedule – Planned delivery in January 2025
	Cyber Sentinel Newsletter	Members are to receive regular Cyber Sentinel Newsletters as and when they are produced.	Andrew Byrom	September edition shared with Members 03.09.24

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