

**Report of the Chief Officer (Financial Services)**

**Report to Corporate Governance and Audit Committee**

**Date: 25 June 2019**

**Subject: Internal Audit Update Report March to May 2019**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Corporate Governance and Audit Committee has responsibility for reviewing the adequacy of the Council's corporate governance arrangements. Reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended. This report provides a summary of the Internal Audit activity for the period from March to May 2019 and highlights the incidence of any significant control failings or weaknesses.

**Recommendations**

2. The Corporate Governance and Audit Committee is asked to receive the Internal Audit Update Report covering the period from March to May 2019 and note the work undertaken by Internal Audit during the period covered by the report. The Committee is also asked to note that there have been no limitations in scope and nothing has arisen to compromise the independence of Internal Audit during the reporting period.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to provide a summary of the Internal Audit activity for the period March to May 2019 and highlight the incidence of any significant control failings or weaknesses.

## **2 Background information**

- 2.1 The Corporate Governance and Audit Committee has responsibility for reviewing the adequacy of the Council's corporate governance arrangements, including matters such as internal control and risk management. The reports issued by Internal Audit are a key source of assurance providing the Committee with some evidence that the internal control environment is operating as intended.
- 2.2 The reports issued by Internal Audit are directed by the Internal Audit Annual Plan. This has been developed in line with the Public Sector Internal Audit Standards (PSIAS) and has been reviewed and approved by the Committee.
- 2.3 The Corporate Governance and Audit Committee considers the Council's arrangements relating to internal audit requirements, including monitoring the performance of Internal Audit.
- 2.4 This update report provides a summary of the Internal Audit activity for the period from March to May 2019.

## **3 Main issues**

### **3.1 Audit Reports Issued**

- 3.1.1 The title of the audit reports issued during the reporting period and level of assurance provided for each review is detailed in table 1. Depending on the type of audit review undertaken, an assurance opinion may be assigned for the control environment, compliance and organisational impact. The control environment opinion is the result of an assessment of the controls in place to mitigate the risk of the objectives of the system under review not being achieved. A compliance opinion provides assurance on the extent to which the controls are being complied with. Assurance opinion levels for the control environment and compliance are categorised as follows: substantial (highest level); good; acceptable; limited and no assurance.
- 3.1.2 Organisational impact is reported as either: major, moderate or minor. Any reports issued with a major organisational impact will be reported to the Corporate Leadership Team along with the relevant directorate's agreed action plan.

Table 1: Summary of Reports Issued March to May 2019

Report Title	Audit Opinion		
	Control Environment Assurance	Compliance Assurance	Organisational Impact
<b>Key Financial Systems</b>			
Total Repairs	Substantial	Good	Minor
Housing Benefits Assessment and Payments	Substantial	Substantial	Minor
Housing Benefits Reconciliations	Substantial	N/A	Minor
Council Tax	Substantial	N/A	Minor
Housing Rents	Substantial	N/A	Minor
Capital Programme Central Controls	Substantial	N/A	Minor
Contribution Payments to West Yorkshire Pension Fund	Memo issued – no issues identified		
Central Purchasing Card Controls	Substantial	Good	Minor
Payroll Central Controls	Good	Good	Minor
<b>Resources and Housing</b>			
Application of HR Policies – Disciplinary Policy	Good	N/A	Minor
Processing of Right to Buy Applications	Good	N/A	Minor
Fire Safety Management of Council Tenanted Properties	Acceptable	N/A	Moderate
Electrical Inspections of Council Tenanted Properties	Acceptable	N/A	Moderate
Management of Responsive Repairs	Acceptable	N/A	Minor
Annual Home Visits	Good	N/A	Minor
<b>ICT and Information Governance</b>			
Essential Services Programme	Good	N/A	Minor

Report Title	Audit Opinion		
	Control Environment Assurance	Compliance Assurance	Organisational Impact
<b>Adults and Health</b>			
Mental Health Assessments	Good	Acceptable	Minor
Sundry Income (Telecare) Follow Up	Good	N/A	Minor
Customer Information System (CIS) Payments	Good	Good	Minor
<b>Communities and Environment</b>			
Parking Services – Tickets, Permits and Appeals	Good	N/A	Minor
<b>City Development</b>			
Community Infrastructure Levy Follow Up	Good	N/A	Minor
<b>Procurement and Contracts</b>			
Electricity Contract Follow Up	Acceptable	N/A	Minor
Contract Management Review – Independent Living Support Service	Good	N/A	Minor
<b>Schools</b>			
High School	Good	Good	N/A
Primary School	Good	Acceptable	N/A
School Voluntary Fund	Certification of balances		

3.1.3 In addition to the reports detailed in table 1 above, the following assurances have been finalised during the reporting period:

- Families First Grant Claim (March 2019)

## 3.2 Summary of Audit Activity and Key Issues

3.2.1 During the reporting period, there have been no limitations in scope and nothing has arisen to compromise our independence. We have finalised 27 audit reviews (excluding data analytics, work for external clients and fraud and irregularity work)

and we have not identified any issues that would necessitate direct intervention by the Corporate Governance and Audit Committee.

- 3.2.2 Each of the audits that have been completed in respect of the Council's key financial systems have received Substantial or Good assurance opinions. This provides the Committee with assurance that these systems are well established and operating as intended.

#### Limited or No Assurance Opinions

- 3.2.3 Of the audit reviews finalised during the period, no weaknesses have been identified that would result in a 'major' organisational impact and no audits have resulted in a limited or no assurance opinion overall. However, the audit of the Primary School resulted in a limited assurance opinion for one of the objectives reviewed. This was due to weaknesses in the recording of School Voluntary Fund transactions. All audit recommendations were agreed with the school and a follow up audit will be undertaken later in the year to review the progress made in implementing the necessary improvements.

#### Follow Up Reviews

- 3.2.4 Our protocols specify that we undertake a follow up review where we have previously reported 'limited' or 'no' assurance for the audited area. Our audit reports include an assurance opinion for each objective reviewed within the audited area. Follow up audits are undertaken for those areas where a specific objective within the review resulted in limited or no assurance in addition to those where the limited or no assurance opinion was provided for the review overall.
- 3.2.5 We have finalised 3 follow up reviews during the reporting period:

#### *Community Infrastructure Levy Follow Up*

- 3.2.6 The Community Infrastructure Levy (CIL) is a levy that the Council charges on many new developments to help pay for the infrastructure needed across Leeds as a result of growth. The initial audit reviewed the processes that ensure that CIL income is identified and that all sums due to the Council are received. This found that there were processes in place to capture where there is a CIL liability and our audit testing confirmed that the CIL calculation was correct for our sample. However, the review resulted in a limited assurance audit opinion as controls required strengthening in respect of the electronic system that holds the CIL data, to ensure the integrity of the charging information held.
- 3.2.7 A follow up audit has now been undertaken which has confirmed that management checks and appropriate processes are now in place, and additional CIL training and guidance has been delivered to key staff. These now give assurance that all CIL income is being identified and received.

#### *Sundry Income (Telecare) Follow Up*

- 3.2.8 The Telecare Service offers a range of equipment designed to assist older and vulnerable people to continue living in their own homes. We have previously reported that limited assurance was provided in relation to the control environment

as the existing billing procedures do not recover all potential income and efficiencies could be achieved through streamlining and automating the various steps used in the process for billing. We have undertaken a follow up review and found that the key recommendations that were made have been incorporated into the Income Recovery Project within Adults and Health. We have provided an increased level of assurance to reflect this.

- 3.2.9 We have confirmed that a project board receives regular updates on the progress of the Income Recovery Project and reports have been provided to the Directorate Leadership Team and Executive Members. A core group and individual workstream groups have been set up to manage delivery of the project and they meet regularly to discuss progress, risks and issues in relation to their work.

#### *Electricity Contract Follow Up*

- 3.2.10 We have previously reported that limited assurance was given for the control environment in our review of the electricity contract. This was due to weaknesses in the processes for checking invoices to confirm the accuracy of the rates being charged. We have carried out a follow up review and found that there is now a robust check and challenge process for a significant element of the invoices received from the provider. Additionally the direction of travel is also very positive, with the intention to widen the checking to cover all elements of the bill. We have provided an increased level of assurance to reflect these improvements.

#### Counter Fraud and Corruption

- 3.2.11 The counter fraud and corruption assurance block within the Internal Audit Plan includes both the reactive and proactive approaches to the Council's zero tolerance to fraud and corruption.
- 3.2.12 We are aware of an instance of fraud that took place during the reporting period. This involved a fraudulent request for a change to a creditor's bank details, resulting in a payment being diverted to the fraudulent bank account. Bank mandate fraud is recognised by the National Crime Agency as one of the major reported fraud risks faced within the UK and, as part of our audit of Creditor Purchases and Payments, we have reviewed the controls in place to prevent and detect this type of fraud. This audit report is in the process of being finalised and our review of the control environment has established that robust controls are in place throughout the creditor payment process. This includes relevant checks to confirm the source of any request for a change to bank details. These controls have largely operated as intended during the year and have been successful in detecting and preventing other fraudulent attempts to divert payments. However, in the instance highlighted above, human error had resulted in a manual check being carried out ineffectively. The importance of maintaining vigilance throughout the checking process has been reinforced to relevant officers and an additional independent verification check has now been added within the system. The case is now with the police and the majority of the funds have been recovered.

### Proactive Anti-Fraud Work

- 3.2.13 As reported at a previous meeting we take part in the National Fraud Initiative (NFI). The NFI is an exercise conducted by the Cabinet Office every two years that matches electronic data within and between public and private sector bodies to prevent and detect fraud.
- 3.2.14 Relevant teams within the Council (for example, Internal Audit, Benefits, Blue Badge and Adult Social Care) are currently working through the matches on a risk basis. To date, £49,764 of benefit overpayments has been identified and is in the process of being recovered.

### Reactive Anti-Fraud Work

- 3.2.15 During the reporting period we have received 9 potential irregularity referrals. Of these, 6 were classified under the remit of the Whistleblowing or Raising Concerns policies. All reported irregularities were risk assessed by Internal Audit and are either being investigated by ourselves, the relevant directorate or HR colleagues, as appropriate.
- 3.2.16 During the reporting period 4 referrals have been closed. There are 12 referrals that are currently open and being investigated.

### Internal Audit Performance

- 3.2.17 We actively monitor our performance in a number of areas and encourage feedback. A customer satisfaction questionnaire (CSQ) is issued with every audit report. The questionnaires ask for the auditee's opinion on a range of issues and asks for an assessment ranging from 5 (for excellent) to 1 (for poor). The results are presented as an average of the scores received for each question.
- 3.2.18 The results of the questionnaires are reported to the Audit Leadership Team and used to determine areas for improvement and inform the continuing personal development training programme for Internal Audit staff.
- 3.2.19 For the period from 1 April 2018 to 31 March 2019, 39 Customer Satisfaction Questionnaires were received (46 were received during the same period last year). A summary of the scores from these questionnaires will be included in the Internal Audit Annual Report which is due to be presented to the Committee at the next meeting in July. During the period 1 March to 31 May 2019, 12 completed Customer Satisfaction Questionnaires have been received (9 were received during the same period last year). A summary of the scores is presented in table 2.

Table 2: Results from Customer Satisfaction Questionnaires for the period 1 March to 31 May 2019

Question	Average Score (out of 5)
Sufficient notice was given	4.67

Question	Average Score (out of 5)
Level of consultation on scope	4.75
Auditor's understanding of systems	4.33
Audit was undertaken efficiently	4.42
Level of consultation during the audit	4.67
Audit carried out professionally and objectively	4.83
Accuracy of draft report	4.50
Opportunity to comment on audit findings	5.00
Clarity and conciseness of final report	4.83
Prompt issue of final report	4.67
Audit recommendations will improve control	4.45
The audit was constructive and added value	4.25
Overall Average Score	<b>4.61</b>

- 3.2.20 As reported previously, overall resources for 2018/19 are less than was anticipated when the audit plan was set. We have actively managed resources to direct them towards the areas of highest risk to ensure that an evidence-based Head of Internal Audit opinion can be provided on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control in accordance with the Public Sector Internal Audit Standards (PSIAS). The Head of Internal Audit Report and Opinion for 2018/19 will be presented to this Committee at the meeting in July.
- 3.2.21 The number of audits completed to inform the Head of Internal Audit Report and Opinion at the Corporate Governance and Audit Committee meeting in July 2019 (90) is comparable against the number of audits completed in the previous year (91) and reflects well on the Internal Audit team given the reduction in resources.
- 3.2.22 A summarised version of the 2018/19 Audit Plan is appended to provide members with an overview of the objective of each review and the current status. Work is now underway on the Audit Plan for 2019/20 which was approved by the Committee at the meeting in March 2019. A summarised version of the 2019/20 Audit Plan will be appended to future Internal Audit Update Reports along with any audits from the 2018/19 Audit Plan that are currently in progress.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 This report did not highlight any consultation and engagement considerations.

## **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 This report does not highlight any issues regarding equality, diversity, cohesion and integration.

## **4.3 Council policies and Best Council Plan**

4.3.1 The terms of reference of the Corporate Governance and Audit Committee require the Committee to review the adequacy of the Council's corporate governance arrangements. This report forms part of the suite of assurances that provides this evidence to the Committee. The Internal Audit Plan has links with the Council's strategic objectives and has close links with the Council's value of spending money wisely.

## **4.4 Resources and value for money**

4.4.1 The Internal Audit Plan includes a number of reviews that evaluate the effectiveness of financial governance, risk management and internal control arrangements that contribute towards the Council's value of spending money wisely.

4.4.2 The Internal Audit Quality Assurance and Improvement Programme and service development work that is reported to the Committee demonstrates a commitment to continuous improvement in respect of efficiency and effectiveness.

## **4.5 Legal Implications, Access to Information and Call In**

4.5.1 None.

## **4.6 Risk Management**

4.6.1 The Internal Audit Plan has been and will continue to be subject to constant review throughout the financial year to ensure that audit resources are prioritised and directed towards the areas of highest risk. This process incorporates a review of information from a number of sources, one of these being the corporate risk register.

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

## **5 Conclusions**

5.1 There are no issues identified by Internal Audit in the March to May 2019 Internal Audit Update Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.

## **6 Recommendations**

6.1 The Corporate Governance and Audit Committee is asked to receive the Internal Audit Update Report covering the period from March to May 2019 and note the work undertaken by Internal Audit during the period covered by the report. The

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

## **7 Background documents**

7.1 None.

Appendix A – Status of Planned Audits from the 2018/19 Audit Plan and Follow Up Reviews

Audit Area	Overview of Assurance	Status / CGAC Meeting
<b>Grants and Head of Audit Assurances</b>		
Grants and Head of Audit Assurances arising during the year	Independent examination of accounts and / or assurance that the grant claim has been spent in accordance with the grant determination.	Reported November 2018, January 2019 and June 2019
<b>ICT and Information Governance</b>		
General Data Protection Regulation (GDPR)	To gain assurance that appropriate arrangements are in place to manage the risks associated with the new legal framework for data protection.	Reported November 2018
Acceptable Use Proactive Monitoring Framework	With reference to the Corporate Governance and Audit Committee meeting in September 2017, the audit will review the framework in place to monitor the use of LCC ICT equipment in line with the Council's Acceptable Use Policy and test a sample of LCC owned devices.	Reported November 2018
ICT Projects - Benefits Realisation Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the January 2018 meeting.	In progress
Password Configuration	Deferred from 2017/18 pending the implementation of a new Council Password Policy. The audit will gain assurance that the new Password Protocol and the technical controls in place to ensure adherence to it is appropriate and in line with best practice issued by the National Cyber Security Centre.	Reported March 2019
ICT Projects	Time reserved to provide internal audit support for ICT related projects.	Reported November 2018
Externally Hosted Software	To provide assurance that there are adequate contractual arrangements in place where software is hosted by an external supplier.	Reported January 2019
Essential Services Programme	To provide assurance over the processes in place to develop and monitor the essential	Reported June

Audit Area	Overview of Assurance	Status / CGAC Meeting
	services programme.	2019
Management of the Cyber Incident Risk	To review how the Cyber Incident risk is being managed, including the effectiveness of the controls in place, back up processes and the assurance reporting arrangements.	In progress
Business Applications	Individual reviews of a sample of key computer applications, including system access and administration, input, processing and output controls. (Business Application coverage is included with the scope of the Key Financial Systems)	Reported January, March and June 2019.
Leeds Building Services – Information Governance (Records Management) Follow Up	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the June 2018 meeting.	Included in 2019/20 audit plan
<b>Key Financial Systems</b>		
Benefits Reconciliations	A review of the reconciliation processes between Orchard, Academy and FMS for Housing Benefit and Council Tax Support.	Reported June 2019
Benefits: Assessment and Payments	To gain assurance over the processes and performance within the Benefits Assessment Unit, including ensuring that Housing Benefit and Council Tax Support payments are accurately processed and paid.	Reported June 2019
Council Tax	To gain assurance over the Council Tax processes for billing, income collection, recovery action, refunds and write offs.	Reported June 2019
Business Rates	To gain assurance over the business rates processes for billing, income collection, recovery action, refunds and write offs.	Reported March 2019
Capital Programme Central Controls	To gain assurance that expenditure in the capital programme is appropriately approved, controlled and monitored and that the accounting system provides accurate and timely information.	Reported November 2018 and June 2019
Financial Management Central Controls	To provide assurance over the central budget setting and budget monitoring arrangements.	Reported November 2018 and ongoing

Audit Area	Overview of Assurance	Status / CGAC Meeting
Treasury Management and Bankline	To provide assurance that treasury management transactions are authorised, correct, appropriately recorded and reported, and are in line with relevant strategies and guidelines.	In progress
Housing Rents	To gain assurance over the housing rents processes for charging, income collection, amendments and write offs.	Reported June 2019
Sundry Income Central Controls	To provide assurance over the central management of income collection for sundry charges raised within the Council, including recovery procedures and write offs.	Reported March 2019
Sundry Income Directorate Reviews	To provide assurance that all income is identified and requests for sundry income accounts are promptly and accurately raised for a sample of service areas.	Reported November 2018
Income Management System	To provide assurance over the systems that ensure all sources of income have been identified and accurately processed through the Income Management System.	Reported January 2019
Payroll Central Controls	To provide assurance over the integrity of central payroll functions, including the accuracy of payments made and the authorisation and processing of new starters and leavers.	Reported June 2019
FMS Creditor Purchase and Payment; Central and Directorate Processes	A review of the system through which orders are raised and payments are made to suppliers for goods and services.	In progress
Central Purchasing Card Controls	To provide assurance over the central purchasing card functions performed by the Central Payment Services Purchasing Card Management Unit.	Reported June 2019
Bank Reconciliation and Cash Book	The audit assesses the accuracy and timeliness of the reconciliations performed on the cashbook and the authority's main accounts.	Reported March 2019
Total Repairs	To provide assurance that there are adequate systems in place to ensure that payments made through the Total Repairs system are made to the correct creditor for goods / services which have been provided to the Council and that the payments are accurately recorded within the Council's accounting system.	Reported June 2019
<b>Procurement and Contracts</b>		
Contract Specification and Management Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the June 2017 meeting.	Reported November 2018

Audit Area	Overview of Assurance	Status / CGAC Meeting
Non and Off Contract Spend Follow Up	To review the root causes for non and off contract expenditure and the processes for identifying and addressing non-compliant spend.	In progress
Leeds Building Services Subcontractors Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the September 2017 meeting.	Reported November 2018
Contract Review: Electricity Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the January 2018 meeting.	Reported June 2019
Procurement Maturity Review	This audit will review organisational procurement arrangements against best practice, including the assessment and management of contracting risk.	To be considered for future audit coverage
Contract Management	Individual reviews of contract management arrangements on a sample of contracts to gain assurance that they are being managed to deliver their intended outcomes, incorporating open book review where necessary.	Reported November 2018, January and June 2019
Procurement Category Actions	To review the effectiveness of the Category Management process in supporting the delivery of strategic procurement objectives.	Included in 2019/20 audit plan
Waivers of Contract Procedure Rules (CPRs)	To review the governance arrangements in place for the approval and management of waivers of CPRs.	Reported January 2019
Contract Review: Joint Venture Follow Up	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the June 2018 meeting	In progress
Contract Specification and Management Follow Up	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Included in 2019/20 audit plan
Tendering System Controls Follow Up	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	In progress

Audit Area	Overview of Assurance	Status / CGAC Meeting
Waivers of Contract Procedure Rules Follow Up	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the January 2019 meeting.	Included in 2019/20 audit plan
<b>Adult Social Care and Health</b>		
Payments to Providers of Homecare Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the January 2018 meeting.	Included in 2019/20 audit plan
Deprivation of Liberties Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the March 2018 meeting.	Included in 2019/20 audit plan
Customer Information System (CIS) Payments	To provide assurance over the accuracy and legitimacy of direct payments and residential and nursing care payments made through CIS.	Reported June 2019
Learning Disabilities Pooled Budget	To provide assurance over the governance arrangements in place for the pooled budget.	Reported January 2019
Mental Health Assessments	A review of the controls in place that ensure the Council is compliant with the requirements of the Mental Capacity Act.	Reported June 2019
Safeguarding Clients Personal Assets	To provide assurance that there are appropriate arrangements in place to safeguard the assets of the service user where the authority acts as a Deputy or Receiver.	Reported November 2018
Unannounced Visits	Individual establishment visits to provide assurance on cash handing arrangements, including the safeguarding of service users monies.	Included in 2019/20 audit plan
Income Review - Telecare	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Reported June 2019

Audit Area	Overview of Assurance	Status / CGAC Meeting
<b>Children and Families</b>		
In-House Fostering, Special Guardianship Orders and Leaving Care Payments Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the June 2017 meeting.	Reported November 2018
Direct Payments Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the June 2017 meeting.	Reported January 2019
Governance Arrangements (Decision Making)	To review the directorate's governance arrangements around decision making, reporting and assurance.	Reported March 2019
OfSTED Inspections	To gain assurance that there are effective arrangements in place for self-evaluation and ensuring that any recommendations arising from OfSTED inspections are monitored and implemented.	To be considered for future audit coverage
Children Looked After Services	To gain assurance that there are effective arrangements in place to manage and monitor the safe reduction of the numbers of children looked after.	Included in 2019/20 audit plan
Payments to Providers of Residential Care and Independent Fostering Agencies	To provide assurance over the efficiency and effectiveness of financial controls.	Included in 2019/20 audit plan
Cluster Model and Area Inclusion Partnerships (AIP)	A review of the arrangements in place to ensure that funding is spent effectively on intervention and inclusion, in support of the intended outcomes of the Cluster Model and AIPs.	Included in 2019/20 audit plan
Unannounced Visits	Individual establishment visits to provide assurance on cash handling arrangements, including the safeguarding of service user monies.	Reported November 2018
In-House Fostering, Special Guardianship Orders and Leaving Care Payments Follow Up	To review progress in implementing the recommendations made in the previous audit, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Included in 2019/20 audit plan

Audit Area	Overview of Assurance	Status / CGAC Meeting
<b>Schools</b>		
Schools Audits	Individual audits of LCC maintained schools undertaken on a risk basis and audits of year end school voluntary fund accounts.	Reported November 2018, January 2019 and June 2019
Primary School Follow Ups	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the June 2018 meeting.	Reported March 2019
Primary School Follow Up	To review progress in implementing the recommendations made in the audit reported above at 3.2.3.	Included in 2019/20 audit plan
<b>Resources and Housing</b>		
Leeds Building Services Tools and Equipment Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the September 2016 meeting.	Reported March 2019
Leeds Building Services Stores Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the April 2017 meeting.	Reported November 2018
Lettings Enforcement Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the January 2018 meeting.	Included in 2019/20 audit plan
Belle Isle Tenant Management Organisation (BITMO) Assurance	Time set aside to provide assurance that the BITMO is managing the key risks that have been delegated under the Modular Management Agreement. Outline of specific assurance to be confirmed.	Reported November 2018 and March 2019
Annual Home Visits	A review of the Annual Home Visit process to ensure that outcomes from the visits are actioned and monitored appropriately.	Reported June 2019
Leeds Building Services Assurances	Time set aside to provide assurance that key risks relating to Leeds Building Services are appropriately managed. Outline of specific assurance to be confirmed.	Reported November 2018

Audit Area	Overview of Assurance	Status / CGAC Meeting
		and March 2019
Fire Safety	To provide assurance over the controls in place to mitigate the risk of fire in Council properties.	Reported June 2019
Electrical Inspections	To provide assurance over the controls in place to mitigate the health and safety risks of electrical fault incidents in Council properties.	Reported June 2019
Homelessness and Temporary Accommodation	A review of the arrangements in place for preventing and managing homelessness in the city.	Reported January 2019
Private Sector Regulation	A review of the processes in place for ensuring that Homes of Multiple Occupancy are licenced and inspected as appropriate.	Reported January 2019
Responsive Repairs	A review of the responsive repairs contract, focussing on charging, quality and performance monitoring.	Reported June 2019
Financial Management Maturity Review	A review of organisational financial management arrangements against best practice.	To be considered for future audit coverage
Apprentice Levy	A review of the arrangements in place to ensure that the Apprentice Levy is utilised effectively.	Reported November 2018
Right to Buy	A review of the processes in place to assess and manage Right to Buy applications.	Reported June 2019
Performance	Time set aside to provide assurance over performance reporting. Outline of specific assurance to be confirmed.	Incorporated within scope of relevant audit coverage
Civic Enterprise Leeds – Income Collection	To provide assurance that all external income is identified and collected.	In progress
LCC Vehicle Fleet Clean Air Zone	Time set aside to support the directorate in ensuring that appropriate plans are in place to	In progress

Audit Area	Overview of Assurance	Status / CGAC Meeting
Standards	mitigate environmental risks relating to LCC's vehicle fleet.	
Application of HR Policies	To gain assurance that a sample of HR policies are consistently and properly applied across the authority.	Reported June 2019
Financial Due Diligence	A review of the arrangements in place to ensure that due diligence is consistently and appropriately applied before entering into an agreement or financial transaction with another party.	In progress
Passenger Transport	A value for money review of the in-house provision by the internal fleet and the external provision through the use of taxis and private hire vehicles.	To be considered for future audit coverage
Invest to Save – Benefits Realisation	To review how the benefits realisation process has been implemented for a sample of Invest to Save projects.	In progress
IR 35 Legislation Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the June 2018 meeting	In progress
Leeds Building Services – Out of Hours (Lifts) Follow Up	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the June 2018 meeting	Reported November 2018
Housing Disrepair Follow Up	To review progress in implementing the recommendations made in the previous audits, as reported to the Corporate Governance and Audit Committee at the November 2018 meeting	Included in 2019/20 audit plan
Private Sector Legislation – Homes of Multiple Occupancy Follow Up	To review progress in implementing the recommendations made in the previous audit as reported to the Corporate Governance and Audit Committee at the January 2019 meeting.	Included in 2019/20 audit plan
<b>Communities and Environment</b>		
Parking Services	To review the systems in place for issuing parking permits and parking tickets, collecting income and managing appeals.	Reported June 2019
Child Poverty	A review of the arrangements in place to tackle child poverty across the city.	To be considered for future audit

Audit Area	Overview of Assurance	Status / CGAC Meeting
		coverage
Recycling Strategy	To provide assurance that the Council's recycling strategy is being effectively implemented.	To be considered for future audit coverage
Customer Satisfaction	A review of the processes that support continual improvement in respect of the customer experience.	In progress
Unannounced visits	Individual establishment visits to provide assurance over cash handling arrangements.	Included in 2019/20 audit plan
<b>City Development</b>		
Community Infrastructure Levy Follow Up	To review progress in implementing the recommendations made in respect of Community Infrastructure Levy made in the previous audit, reported to the Corporate Governance and Audit Committee at the September 2017 meeting.	Reported June 2019
Income collection	To provide assurance that all external income is identified and collected.	Reported November 2018
External Advertising Income – Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the June 2018 meeting.	Included in 2019/20 audit plan
Commercial Rents – Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Included in 2019/20 audit plan
Income Review - Room Hire Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Included in 2019/20 audit plan
Income Review – Leeds International Beer Festival Follow Up	To review progress in implementing the recommendations made in the recent audit as reported to the Corporate Governance and Audit Committee at the November 2018	Included in 2019/20 audit

<b>Audit Area</b>	<b>Overview of Assurance</b>	<b>Status / CGAC Meeting</b>
	meeting.	plan