

LEEDS CITY COUNCIL

INTERNAL AUDIT ANNUAL REPORT AND OPINION

2011/12

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Section 1

INTRODUCTION

1.1 The Annual Reporting Process

Management is responsible for the system of internal control and must set in place policies and procedures to help ensure that the system is functioning correctly. On behalf of the Corporate Governance & Audit Committee (CG&AC) and the Director of Resources, Internal Audit acts as an assurance function providing an independent and objective opinion on the organisation's entire control environment by evaluating its effectiveness in achieving objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

This report is the culmination of the work during the course of the year and seeks to provide an opinion on the adequacy of the control environment and report the incidence of any significant control failings or weaknesses. The report also gives an overview of audit performance during the year and outlines the proposed risk based Internal Audit Plan for 2012/13.

1.2 Requirement for Internal Audit

The organisation has a duty to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control. This role is complemented by initiatives aimed at promoting effective corporate governance.

In 2006, CIPFA published a revised Code of Practice for Internal Audit in Local Government in the UK. The guidance accompanying the Accounts and Audit Regulations 2003 referred to this code as representing "proper internal audit practices". The Code defines the way in which the internal audit service should be established and undertaken, encompassing organisational and structural aspects.

The Accounts and Audit (England) Regulations 2011 that came into force on the 31st March 2011 and revoked the Accounts and Audit Regulations (England) 2003 maintain the requirement for relevant bodies to have a sound system of internal control and conduct a review at least once a year of the effectiveness of the system of internal control.

The 2011 regulations require bodies to conduct, at least once a year, a review of the effectiveness of their internal audit to consider this as part of the consideration of the system of internal control by a committee of the body, or by the body as a whole.

Section 2

REVIEW OF INTERNAL CONTROL AND OPINION

2.1 Opinion 2011/2012

The Code of Practice for Internal Audit in Local Government in the UK 2006 states that the Head of Audit must provide a written report to those charged with governance timed to support the Statement on Internal Control (now the Annual Governance Statement). This report must include an opinion on the overall adequacy and effectiveness of the organisation's control environment, presenting a summary of how that opinion is derived including reliance placed on work by other assurance bodies.

The internal control environment, including the key financial systems, is well established and continues to operate well in practice.

At the time of writing this report there are no outstanding significant issues arising from the work undertaken by Internal Audit.

However, no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

2.2 How Internal Control is reviewed

Internal Audit continues to embrace the risk assessment approach to audit. During the course of the year, the risk map of the Authority has been continually challenged and used to form the basis of Internal Audit's operational plan for the coming year. The review process draws on key indicators of risks to the organisation and attempts to ensure that suitable audit time and resources are devoted to review the more significant areas. The Corporate Risk Register is used as a key source of information during this process. The audit plan contains a contingency provision that is utilised during the year in response to unforeseen work demands. This risk based approach to audit planning results in a comprehensive range of audits that are undertaken during the course of the year to support the overall opinion on the control environment.

There are three elements to each internal audit review. Firstly, the control environment is reviewed by identifying the objectives of the system and then assessing the controls in place mitigating the risk of those objectives not being achieved. Completion of this work enables internal audit to give an assurance on the control environment.

However, controls are not always complied with which in itself will increase risk, so the second part of an audit is to ascertain the extent to which the controls are being complied with in practice. This element of the review enables Internal Audit to give an opinion on the extent to which the control environment, designed to mitigate risk, is being complied with.

Finally, where there are significant control environment weaknesses or where the controls are not being complied with and only limited assurance can be given, internal audit undertakes further substantive testing to ascertain the impact of these control weaknesses.

To ensure consistency in audit reporting, the following definitions of audit assurance are used for all systems and governance audits completed:

Control Environment Assurance		
	Level	Definitions
1	SUBSTANTIAL ASSURANCE	There are minimal control weaknesses that present very low risk to the control environment.
2	GOOD ASSURANCE	There are minor control weaknesses that present low risk to the control environment.
3	ACCEPTABLE ASSURANCE	There are some control weaknesses that present a medium risk to the control environment.
4	LIMITED ASSURANCE	There are significant control weaknesses that present a high risk to the control environment
5	NO ASSURANCE	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance		
	Level	Definitions
1	SUBSTANTIAL ASSURANCE	The control environment has substantially operated as intended although some minor errors have been detected.
2	GOOD ASSURANCE	The control environment has largely operated as intended although some errors have been detected.
3	ACCEPTABLE ASSURANCE	The control environment has mainly operated as intended although errors have been detected.
4	LIMITED ASSURANCE	The control environment has not operated as intended. Significant errors have been detected.
5	NO ASSURANCE	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational impact is reported as either Major, Moderate or Minor. Any reports with major organisational impacts are reported to Corporate Leadership Team along with the appropriate directorate's agreed action plan and then to CG&AC as part of the regular update report.

Organisational Impact		
	Level	Definitions
1	MAJOR	The weaknesses identified during the review have left the council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.

Organisational Impact		
Level		Definitions
2	MODERATE	The weaknesses identified during the review have left the council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
3	MINOR	The weaknesses identified during the review have left the council open to low risk. This could have a minor impact on the organisation as a whole.

2.3 Basis of Assurance

The annual opinion on the adequacy and effectiveness of the control environment for 2011/12 is based on the findings and assurance provided by the schedule of reviews undertaken throughout the year. For each area of assurance, there have been instances where the control environment was not strong enough or complied with sufficiently to prevent risks to the organisation. In these cases, Internal Audit has made recommendations to further improve the systems of control and compliance. Although significant to the control environment in place for the individual system areas that have been audited these weaknesses are not material enough to have a significant impact on the overall opinion on the adequacy of the Council's control environment at the year end. Further reviews in each area where limited assurance has been given are scheduled to be completed to ensure that the recommendations have been adopted and the suggested controls are working well in practice.

2.3.1 Key Financial Systems

An annual review of each of the authority's key financial systems is undertaken to provide evidence supporting the internal audit opinion on the adequacy of the organisation's control environment.

As previously, the key financial systems subject to audit were agreed in advance with the authority's external auditors KPMG as they review this work and use this as a key source of assurance on the organisation. KPMG have reviewed internal audit's work on key financial systems in 2011/12 and have confirmed that it fully meets their requirements in terms of timeliness, quality and supporting evidence. KPMG reported that:

"Internal Audit has covered all areas of work that we wished to rely upon to a good standard and we are again able to place full reliance on their work."

Audit coverage during the year has provided sufficient evidence to conclude that the key financial control systems are sound and that, in the main, these controls continue to work well in practice although there are some areas where improvements are necessary. The level of assurance provided for the all key financial systems reviews was acceptable or higher and in all cases an action plan has been agreed with the appropriate officers that, if implemented, will give substantial control environment assurance.

2.3.2 Cross Cutting Assurances

Internal audit has reviewed a number of key corporate functions, which give cross cutting assurances in their own right. These are areas such as procurement, performance management, and financial management. These reviews included assessing the arrangements to ensure that their policies and procedures are up to date, fit for purpose, effectively communicated, routinely complied with across the organisation and monitored. These reviews provide evidence based assurance on the key policies and procedures that underpin the control environment. Where weaknesses were identified, action plans were agreed with the appropriate officers to improve the level of assurance provided. There were no significant issues highlighted in these areas.

2.3.3 Schools

Each school should have appropriate organisational and financial controls in place that Governors can place rely upon in their responsibility for the financial management of schools. Assurance is required for the Authority that the arrangements in individual schools are adequate and operating effectively.

A sample of visits has been undertaken based on a risk assessment and provide assurance that schools are operating financial procedures, which are in line with current guidelines as set out in Schools' Financial Regulations, Contract Procedure Rules, Audit Commission and OFSTED reports and best practice.

2.3.4 Unannounced visits

A sample of visits covering different types of establishment are carried out each year. These provide assurance over the adequacy of income and cash controls.

2.3.5 Business Analysis and VFM

This area of work involves defining more efficient systems. It also provides assurance that there are arrangements within the Authority to improve efficiency and productivity.

During the year, business analysis reviews have been commenced within Children's Services and Adult Social Care Directorates and also the Changing the Workplace: Customer Access Project and the Electronic Document and Records Management System Projects. These are long term projects and have resulted in Business Analysts being seconded to Directorates to undertake these key reviews.

2.3.6 Anti Fraud and Corruption

The anti fraud and corruption work undertaken includes both proactive anti-fraud and corruption work (fraud strategies) and reactive work (investigations.)

In addition, internal audit review the Authority's fraud and corruption arrangements to ensure they are in line with best practice. There is a Counter Fraud and Investigations team strategy and Counter Fraud and Corruption Action Plan for proactive and reactive fraud work that includes details of resource implications and prioritises work accordingly to ensure the risk of fraud in managed effectively with available resources. Proactive fraud exercises, data analytics work and participation in the National Fraud Initiative (NFI) provide assurance that the Authority is making every effort to detect potential fraud and prevent its recurrence.

This area of audit work also provides assurance on the ethical framework within the Council, which seeks to improve standards of conduct. This, combined with staffing policies, should therefore reduce the likelihood of fraud.

2.4 Summary of Completed Audit Reviews

This section provides a summary of all reports issued since 17th May 2011. Audit reviews completed from 1st April 2011 to 16th May 2011 were reported in the Internal Audit Annual Report for 2010/11. All reviews where the audit opinion is limited for either the control environment or compliance with procedures have already been highlighted to CG&AC in the quarterly internal audit reports.

Further reviews in each area where limited assurance has been given are scheduled to be completed to ensure recommendations have been adopted and suggested controls are working well in practice.

Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
Key Financial Systems					
Leeds Revenues and Benefits Service - Accounting & Subsidy	Good Assurance	Good Assurance	Minor	Resources	03/06/2011
Sundry Income Year End Reconciliation	Satisfactory			Resources	03/06/2011
Integrity of Accounts	Substantial Assurance	Substantial Assurance	Minor	Resources	20/06/2011
Corporate Financial Management - Central Controls	Substantial Assurance	N/A	Minor	Resources	20/06/2011
Creditors Year End Reconciliation	Satisfactory			Resources	24/06/2011
Council Tax	Good Assurance	N/A	Minor	Resources	07/07/2011
Capital Programme - Central Controls	Good Assurance	Good Assurance	Minor	Resources	07/07/2011
Leeds Revenues and Benefits Service - Counter Fraud	Good Assurance	Acceptable Assurance	Minor	Resources	08/07/2011
Business Support Centre - Creditors	Good Assurance	Good Assurance	Minor	Resources	14/07/2011
Non-Domestic Rates Year End Reconciliation	Satisfactory			Resources	19/07/2011

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Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
Council Tax Year End Reconciliation	Satisfactory			Resources	20/07/2011
Creditors - Children's Services	Good Assurance	Good Assurance	Minor	Children's Services	20/07/2011
Treasury Management	Substantial Assurance	Substantial Assurance	Minor	Resources	20/07/2011
Business Support Centre - Human Resources Administration	Good Assurance	Acceptable Assurance	Moderate	Resources	20/07/2011
Business Support Centre - Central Payments	Good Assurance	Good Assurance	Minor	Resources	20/07/2011
West Yorkshire Pension Fund Reconciliation	Satisfactory			Resources	04/08/2011
Payroll Year End Reconciliation	Satisfactory			Resources	15/08/2011
Income Management System to Financial Management System Year End Reconciliation	Satisfactory			Resources	15/08/2011
Housing Benefits and Council Tax Benefits Year End Reconciliation	Satisfactory			Resources	18/08/2011
Sundry Income – City Development	Acceptable Assurance	Acceptable Assurance	Moderate	City Development	23/08/2011
Bank Reconciliation and Cash Book	Substantial Assurance	Substantial Assurance	Minor	Resources	06/10/2011
Community Care Finance - Payments to independent providers of residential and nursing care and customers in receipt of direct payments and personal budgets	Good Assurance	N/A	Minor	Adult Social Care	12/10/2011
Housing Rents	Good Assurance	Good Assurance	Minor	Environment and Neighbourhoods	08/03/2012
Treasury Management	Substantial Assurance	Substantial Assurance	Minor	Resources	28/03/2012
Income Management System	Substantial Assurance	N/A	Minor	Resources	28/03/2012
Central Sundry Income	Substantial Assurance	N/A	Minor	Resources	02/04/2012
Non-Domestic Rates	Substantial Assurance	Substantial Assurance	Minor	Resources	02/04/2012
Housing Benefits – Accounting and Subsidy	Substantial Assurance	Good Assurance	Minor	Resources	02/04/2012
Sundry Income – Environment and Neighbourhoods	Acceptable Assurance	Good Assurance	Minor	Environment and Neighbourhoods	17/04/2012
Council Tax	Substantial Assurance	Good Assurance	Minor	Resources	24/04/2012
Housing Benefits Assessment and Payments	Substantial Assurance	Substantial Assurance	Minor	Resources	25/04/2012
Integrity of Accounts	Substantial Assurance	Substantial Assurance	Minor	Resources	30/04/2012
Creditors – City Development	Good Assurance	Good Assurance	Minor	City Development	08/05/2012
Payroll – HR Administration	Good Assurance	Good Assurance	Minor	Resources	30/05/2012
Non-Domestic Rates Year End Reconciliation	Satisfactory			Resources	30/05/2012

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Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
Year End Reconciliation of Powersolve to FMS	Satisfactory			Resources	30/05/2012
Council Tax Year Reconciliation	Satisfactory			Resources	30/05/2012
Income Management System Year End Reconciliation	Satisfactory			Resources	26/06/2012
Payroll Year End Reconciliation	Satisfactory			Resources	26/06/2012
West Yorkshire Pension Fund Reconciliation	Satisfactory			Resources	26/06/2012
Business Analysis and VFM					
Revenues and Benefits – Systems Thinking Review	N/A			Resources	25/05/2011
Business Analysis Review - Children's Transport Efficiency	N/A			Children's Services	29/06/2011
Adult Social Care As-Is End to End Review: Learning Disabilities – Continuing Healthcare Team	N/A			Adult Social Care	18/08/2011
Adult Social Care As-Is End to End Review: Learning Disabilities Service – Day Service Modernisation	N/A			Adult Social Care	18/08/2011
As-is report – LD Community Support Service	N/A			Adult Social Care	04/11/2011
Customer Services City Centre One Stop – Human Resources	N/A			Resources	10/11/2011
Changing the Workplace: Customer Access Project – service readiness report for Leeds Register Office	N/A				29/11/2011
Customer Services City Centre One Stop – Supply and Demand	N/A			Resources	06/01/2012
Electronic Document Records Management System Rollout Options	N/A			Resources	04/04/2012
ASC As-Is Early Discharge Assessment Team	N/A			Adult Social Care	29/03/2012
Changing the Workplace: Customer Access Project- Electoral Services Review	N/A				24/04/2012
Internal Control and Compliance					
Asset Verification - Children's Services	N/A	Good Assurance	N/A	Children's Services	31/05/2011
Asset Verification - City Development	N/A	Acceptable Assurance	N/A	City Development	13/06/2011
Asset Verification - Adult Social Care	N/A	Acceptable Assurance	N/A	Adult Social Care	13/06/2011
Asset Verification - Environment & Neighbourhoods	N/A	Acceptable Assurance	N/A	Environment & Neighbourhoods	17/06/2011

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Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
Asset Verification - Central and Corporate Functions	N/A	Good Assurance	N/A	Resources	07/07/2011
Early Leavers Initiative	Good Assurance	Good Assurance	Minor	Resources	19/07/2011
Right to Buy Scheme	Good Assurance	Good Assurance	Minor	Environment and Neighbourhoods	15/08/2011
Nursery Education Grants	Acceptable Assurance	Limited Assurance	Minor	Children's Services	11/10/2011
Information Security	Review of response to data security breaches			Planning, Policy and Improvement	12/09/2011
HR File Review	N/A	Good Assurance	Minor	Resources	24/11/2011
Synergy	Acceptable Assurance	Acceptable Assurance	Minor	Resources	15/12/2011
Health and Safety Controls	Good Assurance	Acceptable Assurance	Minor	Resources	03/01/2012
Schools Trading High Level Review	Limited Assurance	N/A	Moderate	Children's Services	09/01/2012
Delegated Decisions – Environment and Neighbourhoods	N/A	Good Assurance	Minor	Environment and Neighbourhoods	16/01/2012
Delegated Decisions – City Development	N/A	Limited Assurance	Moderate	City Development	24/01/2012
Entertainment Licensing	Good Assurance	Good Assurance	Minor	Resources	24/01/2012
Delegated Decisions – Children's Services	N/A	Limited Assurance	Moderate	Children's Services	01/02/2012
Delegated Decisions - Resources	N/A	Limited Assurance	Moderate	Resources	13/02/2012
Bus Lane Enforcement Fines	Good Assurance	Substantial Assurance	Minor	Environment and Neighbourhoods	15/02/2012
Taxi and Private Hire Licensing Follow Up Review	Limited Assurance	Good Assurance	Moderate	Resources	16/02/2012
Register of Interests – City Development	Acceptable Assurance	Acceptable Assurance	Moderate	City Development	16/02/2012
Section 48 House Searches, Appointees and Deputies	Limited Assurance	N/A	Minor	Adult Social Care	29/02/2012
Performance Indicators BUS 2A – Employers offering apprenticeships	Good Assurance	Good Assurance	Minor	Environment and Neighbourhoods	29/03/2012
Performance Indicators LIVE 1A – Number of new homes built per year	Limited Assurance	Acceptable	Minor	Environment and Neighbourhoods	29/03/2012
Performance Indicators: VAL 4 – Equality issues in major decisions	Acceptable Assurance	Good Assurance	Minor	Planning, Policy and Improvement	29/03/2012
Performance Indicators: RES 8 - % time ICT systems are available	Good Assurance	Good Assurance	Minor	Resources	29/03/2012
Managing Attendance Policy Compliance	Good Assurance	Good Assurance	Minor	Resources	30/03/2012
Nursery Education Grants Follow Up Review	Acceptable Assurance	N/A	Minor	Children's Services	14/05/2012
Procurement, Monitoring and Improvement					
Corporate Purchasing Cards Review	Limited Assurance	Limited Assurance	Major	Resources	02/08/2011

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Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
Catering Provider Open Book Review	Acceptable Assurance	Acceptable Assurance	Minor	Resources	31/10/2011
Purchasing Cards Quarter 1 Review – City Development	N/A	Acceptable Assurance	N/A	City Development	06/12/2011
Purchasing Cards Quarter 1 Review – Adult Social Care	N/A	Acceptable Assurance	N/A	Adult Social Care	06/12/2011
Purchasing Cards Quarter 1 Review – Children’s Services	N/A	Acceptable Assurance	N/A	Children’s Services	06/12/2011
Purchasing Cards Quarter 1 Review – Resources	N/A	Acceptable Assurance	N/A	Resources	06/12/2011
Purchasing Cards Quarter 1 Review – Environment and Neighbourhoods	N/A	Acceptable Assurance	N/A	Environment and Neighbourhoods	06/12/2011
Procurement Unit: - Procurement Strategy and Forward Planning – Interim Statement; - Monitoring and Assurance Arrangements; - Contract Conditions and Extensions; - Continuous Improvement and Training	Limited	N/A	Moderate	Resources	10/01/2012
Tender Evaluation Assessments	Good Assurance	Acceptable Assurance	Moderate	Resources	17/01/2012
Quarterly Review of Published Payments over £500 Quarter 1 – Resources Directorate	Substantial Assurance	Good Assurance	N/A	Resources	17/01/2012
Quarterly Review of Published Payments over £500 Quarter 1 – Children’s Services Directorate	N/A	Acceptable Assurance	N/A	Children’s Services	17/01/2012
Quarterly Review of Published Payments over £500 Quarter 1 – Adult Social Care Directorate	N/A	Good Assurance	N/A	Adult Social Care	17/01/2012
Quarterly Review of Published Payments over £500 Quarter 1 – City Development Directorate	N/A	Good Assurance	N/A	City Development	17/01/2012
Quarterly Review of Published Payments over £500 Quarter 1 – Environment & Neighbourhoods Directorate	N/A	Good Assurance	N/A	Environment and Neighbourhoods	17/01/2012
Purchasing Cards Follow Up Review	Acceptable Assurance	N/A	N/A	Resources	01/02/2012
Purchasing Cards Quarter 2 Review – Adult Social Care	N/A	Acceptable Assurance	N/A	Adult Social Care	17/04/2012
Purchasing Cards Quarter 2 Review - Resources	N/A	Acceptable Assurance	N/A	Resources	17/04/2012
Purchasing Cards Quarter 2 Review – Children’s Services	N/A	Acceptable Assurance	N/A	Children’s Services	17/04/2012
Purchasing Cards Quarter 2 Review – City Development	N/A	Acceptable Assurance	N/A	City Development	17/04/2012
Purchasing Cards Quarter 2 Review – Environment & Neighbourhoods	N/A	Acceptable Assurance	N/A	Environment and Neighbourhoods	17/04/2012
Purchasing Cards Quarter 3 Review – Adult Social Care	N/A	Acceptable Assurance	N/A	Adult Social Care	21/05/2012
Purchasing Cards Quarter 3 Review - Resources	N/A	Good Assurance	N/A	Resources	21/05/2012
Purchasing Cards Quarter 3 Review – Children’s Services	N/A	Acceptable Assurance	N/A	Children’s Services	21/05/2012
Purchasing Cards Quarter 3 Review – City Development	N/A	Good Assurance	N/A	City Development	21/05/2012
Purchasing Cards Quarter 3 Review – Environment and Neighbourhoods	N/A	Acceptable Assurance	N/A	Environment and Neighbourhoods	21/05/2012

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	Control Environment	Compliance	Organisational Impact		
				Neighbourhoods	
Schools					
Waterloo Primary School	Limited Assurance	Limited Assurance	Minor	Children's Services	03/06/2011
Middleton Primary School	Good Assurance	Good Assurance	Minor	Children's Services	23/06/2011
Wetherby High School	Acceptable Assurance	Limited Assurance	Minor	Children's Services	08/07/2011
Kirkstall St Stephens COE Primary School	Acceptable Assurance	Acceptable Assurance	Minor	Children's Services	21/07/2011
Boston Spa School 6 th Form Funding	Acceptable Assurance	Acceptable Assurance	Minor	Children's Services	21/07/2011
City of Leeds High School	Limited Assurance	Limited Assurance	Minor	Children's Services	21/07/2011
Cobden Primary School	Acceptable Assurance	Good Assurance	Minor	Children's Services	26/07/2011
Benton Park High School	Acceptable Assurance	Limited Assurance	Minor	Children's Services	09/08/2011
Farsley Farfield Primary School	Acceptable Assurance	Acceptable Assurance	Minor	Children's Services	13/10/2011
Bramham Primary School	Good Assurance	Good Assurance	Minor	Children's Services	20/10/2011
Ralph Thoresby School 6th Form Funding	Good Assurance	Acceptable Assurance	Minor	Children's Services	21/10/2011
Benton Park School 6th Form Funding	Good Assurance	Good Assurance	Minor	Children's Services	21/10/2011
St James C of E Primary School Wetherby	Good Assurance	Acceptable Assurance	Minor	Children's Services	21/11/2011
Oakwood Primary School Voluntary Fund Audit	Audited Statement signed for 2010/11			Children's Services	08/12/2011
Waterloo Primary School Follow Up	Good Assurance	Acceptable Assurance	Minor	Children's Services	14/12/2011
Whitecote Primary School Voluntary Fund Audit	Audited Statement signed for 2009/10 and 2010/11			Children's Services	14/11/2011
Wetherby High School Follow Up Review	Acceptable Assurance	Acceptable Assurance	Minor	Children's Services	07/02/2012
Holy Name Primary School Voluntary Fund Audit	Audited Statement signed for 2009/10 and 2010/11			Children's Services	28/03/2012
Boston Spa Primary School Voluntary Fund Audit	Audited Statement signed for 2010/11			Children's Services	28/03/2012
Unannounced Visits					
Pudsey Leisure Centre	Substantial Assurance	Good Assurance	Minor	City Development	19/05/2011
Armley Leisure Centre	Substantial Assurance	Good Assurance	Minor	City Development	19/05/2011
Fredrick Hurdle Day Centre	Good Assurance	Good Assurance	Minor	Adult Social Care	26/07/2011

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	Control Environment	Compliance	Organisational Impact		
Meadowfield Children's Centre	Good Assurance	Good Assurance	Minor	Children's Services	26/07/2011
Armley Moor Children's Centre	Good Assurance	Good Assurance	Minor	Children's Services	26/07/2011
Lotherton Hall Museum	Good Assurance	Good Assurance	Minor	City Development	26/07/2011
Richmond Hill Children's Centre	Good Assurance	Good Assurance	Minor	Children's Services	26/07/2011
Pudsey Civic Hall	Good Assurance	Good Assurance	Minor	City Development	04/08/2011
Leeds Town Hall	Good Assurance	Good Assurance	Minor	City Development	08/08/2011
Apna Day Centre	Good Assurance	Acceptable Assurance	Minor	Adult Social Care	23/08/2011
Harehills Children's Centre	Good Assurance	Good Assurance	Minor	Children's Services	23/08/2011
Hunslet Children's Centre	Good Assurance	Good Assurance	Minor	Children's Services	02/09/2011
City Art Gallery Shop	Good Assurance	Good Assurance	Minor	City Development	07/09/2011
Seacroft Children's Centre	Good Assurance	Good Assurance	Minor	Children's Services	13/09/2011
Suffolk Court Home for Older People	Good Assurance	Acceptable	N/A	Adult Social Care	22/09/2011
Burley Willows Home for Older People	Good Assurance	Good Assurance	N/A	Adult Social Care	27/09/2011
Two Willows Children's Centre	Good Assurance	Good Assurance	Minor	Children's Services	17/10/2011
City Museum	Good Assurance	Good Assurance	Minor	City Development	12/01/2012
Strategic Landlord Assurance Framework Reviews (Internal Control and Compliance)					
Procurement Quarter 1 - West North West Homes	Acceptable Assurance	Acceptable Assurance	Minor	Environment & Neighbourhoods	17/05/2011
Keystone Asset Management - Belle Isle Tenant Management Organisation	Good Assurance	Good Assurance	Minor	Environment & Neighbourhoods	17/05/2011
Keystone Asset Management - Strategic Landlord Review (Central Controls)	Acceptable Assurance	Good Assurance	Minor	Environment & Neighbourhoods	26/05/2011
Lettings Enforcement - Aire Valley Homes Leeds Quarter 3 and 4	N/A	Acceptable Assurance	Moderate	Environment & Neighbourhoods	08/06/2011
Tenancy Enforcement - East North East Homes Leeds	N/A	Good Assurance	Minor	Environment & Neighbourhoods	08/06/2011
Tenancy Enforcement Policies and Procedures - Strategic Landlord Review (Central Controls)	Acceptable Assurance	N/A	Moderate	Environment & Neighbourhoods	13/06/2011
Key Policies: Safeguarding Policy - Aire Valley Homes Leeds	Acceptable Assurance	N/A	Minor	Environment & Neighbourhoods	13/06/2011
Capital Programme Consultation - Aire Valley Homes Leeds	Good Assurance	N/A	Minor	Environment & Neighbourhoods	17/06/2011
Corporate Governance - Belle Isle Tenant Management Organisation	Good Assurance	N/A	Minor	Environment & Neighbourhoods	17/06/2011

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	Control Environment	Compliance	Organisational Impact		
Lettings Enforcement - Belle Isle Tenant Management Organisation Quarters 3 & 4	N/A	Acceptable Assurance	Minor	Environment & Neighbourhoods	17/06/2011
Key Policies: Safeguarding Policy - West North West Homes	Substantial Assurance	N/A	Minor	Environment & Neighbourhoods	17/06/2011
Procurement Quarter 3 - West North West Homes	Acceptable Assurance	Acceptable Assurance	Minor	Environment & Neighbourhoods	22/06/2011
Responsive Repairs - East North East Homes	Good Assurance	Good Assurance	Minor	Environment & Neighbourhoods	23/06/2011
Gas Servicing - Belle Isle Tenant Management Organisation	Acceptable Assurance	Acceptable Assurance	Moderate	Environment & Neighbourhoods	24/06/2011
Gas Servicing - Aire Valley Homes Leeds	Good Assurance	Acceptable Assurance	Moderate	Environment & Neighbourhoods	30/06/2011
Keystone Asset Management - Aire Valley Homes Leeds	Acceptable Assurance	Good Assurance	Minor	Environment & Neighbourhoods	08/07/2011
Lettings Enforcement Quarters 3 & 4 - West North West Homes Leeds	N/A	Good Assurance	Minor	Environment & Neighbourhoods	12/07/2011
Responsive Repairs - West North West Homes Leeds	Acceptable Assurance	Good Assurance	Minor	Environment & Neighbourhoods	14/07/2011
Keystone Asset Management - West North West Homes Leeds	Acceptable Assurance	Acceptable Assurance	Minor	Environment & Neighbourhoods	18/07/2011
Responsive Repairs - Aire Valley Homes Leeds	Acceptable Assurance	Good Assurance	Minor	Environment & Neighbourhoods	27/07/2011
Corporate Governance - West North West Homes	Good Assurance	N/A	Minor	Environment & Neighbourhoods	01/09/2011
Lettings Enforcement - Central Lettings Policy Review	Good Assurance	N/A	Minor	Environment and Neighbourhoods	13/09/2011
Strategic Landlord Assurance Framework - Annual Report	Summary of individual reports for Strategic Landlord Assurance Framework			Environment and Neighbourhoods	21/09/2011
Follow up of Asset Management Gas Servicing 2010/11 - East North East Homes Leeds	Good Assurance	Good Assurance	Minor	Environment and Neighbourhoods	12/10/2011
Date of Registration Quota Lettings Enforcement — Belle Isle Tenant Management Organisation	N/A	Limited Assurance	Minor	Environment and Neighbourhoods	13/12/2011
Lettings Enforcement - Housing Options	N/A	Limited Assurance	Moderate	Environment & Neighbourhoods	11/01/2012
Date of Registration Quota Lettings Enforcement – Aire Valley Homes	N/A	Acceptable Assurance	Minor	Environment & Neighbourhoods	12/01/2012
Date of Registration Quota Lettings Enforcement — East North East Homes	N/A	Acceptable Assurance	Minor	Environment & Neighbourhoods	30/01/2012
Fire Safety - West North West Homes	Acceptable Assurance	Acceptable Assurance	Moderate	Environment and Neighbourhoods	16/02/2012
Fire Safety – East North East Homes	Limited Assurance	Acceptable Assurance	Moderate	Environment and Neighbourhoods	16/02/2012
Fire Safety – Belle Isle Tenant Management Organisation	Good Assurance	Good Assurance	Minor	Environment and Neighbourhoods	16/02/2012
Fire Safety – Aire Valley Homes Leeds	Limited Assurance	Limited Assurance	Major	Environment and Neighbourhoods	16/02/2012
Date of Registration Quota Lettings Enforcement – West North West Homes	N/A	Limited Assurance	Moderate	Environment and Neighbourhoods	16/02/2012

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Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
Strategic Landlord Tenancy Enforcement (Tenancy Fraud)	Good Assurance	N/A	Minor	Environment and Neighbourhoods	15/03/2012
Scheme of Delegation – East North East Homes	Acceptable Assurance	Limited Assurance	Moderate	Environment and Neighbourhoods	28/03/2012
Belle Isle Tenant Management Organisation - Procurement	Good Assurance	N/A	Minor	Environment and Neighbourhoods	30/03/2012
Belle Isle Tenant Management Organisation - Business Continuity	Acceptable Assurance	N/A	Minor	Environment and Neighbourhoods	08/05/2012
Procurement – East North East Homes	Good Assurance	Limited Assurance	Minor	Environment and Neighbourhoods	08/05/2012
Corporate Governance Follow Up Review – Belle Isle Tenant Management Organisation	Good Assurance	N/A	Minor	Environment and Neighbourhoods	09/05/2012
Corporate Governance – Aire Valley Homes	Good Assurance	N/A	Minor	Environment and Neighbourhoods	25/06/2012
Procurement – Aire Valley Homes	Good Assurance	Good Assurance	Minor	Environment and Neighbourhoods	25/06/2012
Neighbourhood Management – Aire Valley Homes	Good Assurance	N/A	Minor	Environment and Neighbourhoods	25/06/2012
Head of Audit Assurances					
Building Hope Charity – independent examination of the Accounts 2009/10	<p>The review was an independent examination of the 2009/10 accounts as required by the Charities Act 1993. It does not provide an opinion on the accounts.</p> <p>The independent examination found no issues to indicate that the following had not been met:</p> <ul style="list-style-type: none"> •keeping accounting records in accordance with section 41 of the 1993 Act; and •preparing accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act. 			Resources	26/05/2011
Building Hope Charity – independent examination of the Accounts 2010/11	<p>The review was an independent examination of the 2010/11 accounts as required by the Charities Act 1993. It does not provide an opinion on the accounts.</p> <p>The independent examination found no issues to indicate that the following had not been met:</p> <ul style="list-style-type: none"> •keeping accounting records in accordance with section 41 of the 1993 Act; and •preparing accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act. 			Resources	13/12/2011
Bus Operators Grant Claim	Certification of Grant Claim 1 st October 2010 – 31 st March 2011			Resources	29/06/2011
Bus Operators Grant Claim	Certification of Grant Claim 1 st April 2011 – 30 th September 2011			Resources	09/02/2012
Lord Mayors Charity	The review was an independent examination of the 2010/11 accounts as required by the Charities Act 1993. It does not provide an opinion on the accounts.			Resources	30/03/2012

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Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
	The independent examination found no issues to indicate that the following had not been met: <ul style="list-style-type: none"> •keeping accounting records in accordance with section 41 of the 1993 Act; and •preparing accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act. 				
City Region Grant Claim: Urban Eco Settlements	Review of Grant Claim – Satisfactory.			Planning, Policy and Improvement	06/06/2012
City Region Grant Claim: New Points Growth Funding	Review of Grant Claim – Satisfactory.			Planning, Policy and Improvement	06/06/2012
Leeds City Region Accounts – Internal Audit Statement	Signed Internal Audit Statement for 2011/12 Accounts.			Planning, Policy and Improvement	06/06/2012
Bus Operators Grant Claim	Certification of Grant Claim 1 st October 2011 – 31 st March 2012			Resources	13/06/2012

Section 3

AUDIT PERFORMANCE AND ADDED VALUE 2011/2012

ENSURING QUALITY

3.1 Customer Feedback

Internal Audit is committed to delivering a quality product to the highest professional standards that adds value to our customers and actively monitors performance in a number of areas and encourages feedback from customers.

A customer satisfaction questionnaire (CSQ) is issued with every audit report. The questionnaires ask for the auditees opinion on a range of issues with an assessment ranging from 5 (for excellent) to 1 (for poor). The results are based on the percentage of those assessments that are 3 (satisfactory) or above. The results are used to determine areas for improvement and inform the continuing personal development training programme for Internal Audit staff. The results are also benchmarked with other core cities who have adopted the same questionnaire. The table also shows the percentage scores of 4 or above (good and excellent) to further identify marginal areas for improvement.

Table - Results from Customer Satisfaction Questionnaires

Question	Actual 2010/11 % Score 3 or above	Actual 2010/11 % Score 4 or above	Actual 2011/12 % Score 3 or above	Actual 2011/12 % Score 4 or above
Notice	100	95	100	100
Scope	98	83	100	92
Understanding	93	81	92	68
Efficiency	100	90	96	92
Consultation	98	90	100	84
Professional/Objective	98	95	100	92
Accuracy of Draft	95	87	100	84
Opportunity to comment	98	93	100	96
Clarity & Conciseness	95	90	100	96

Question	Actual 2010/11 % Score 3 or above	Actual 2010/11 % Score 4 or above	Actual 2011/12 % Score 3 or above	Actual 2011/12 % Score 4 or above
Recommendations	95	78	100	84
Final Report – Prompt	97	80	100	88
Added Value	98	78	92	80

Feedback from customer satisfaction questionnaires continues to be very positive. These results are again extremely encouraging, particularly as the nature and complexity of work undertaken by Internal Audit continues to change.

Internal audit has been part of the core cities benchmarking club for over ten years – consistently being a high performer across a whole range of key cost and quality measures. Examples include cost per audit day and percentage of productive time as well as customer questionnaires and perceptions of added value.

3.2 Quality Standard Accreditation

All our work is undertaken in accordance with our quality management system, which has now been ISO accredited for over fourteen years. During January 2012 an independent review was undertaken of Internal Audit's quality system to ensure compliance with the new ISO 9001:2008 standard. The review team conducted a process-based audit, focusing on significant aspects/risks/objectives required by the standard and concluded that:

“..... the organisation has established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products and services within the scope and the organisations' policy and objectives.”

The next review visit is due in August 2012.

3.3 Continuing Professional Development

In a rapidly changing environment it is important that all Internal Auditors are kept abreast of the latest audit and accounting methodologies, changes in legislation and best practice as well as changes to the public sector arena so they have the necessary skills and knowledge to perform their role to a high standard. This is done via Continuing Professional Development (CPD), which the Section continues to support and promote via in-house training courses and external CPD events such as CIPFA seminars. Much of this CPD is done in officers own time showing a personal commitment to continual improvement of the Team.

The Code of Practice for Internal Audit in local Government in the UK 2006 states that Internal Audit staff have a personal responsibility to undertake a programme of CPD to maintain and develop their competence. At Leeds, evidence of professional training and development activities must be retained and individual/group training needs identified.

3.4 Whistleblowing

Internal Audit continues to act as the custodians of the Council's Whistleblowing Policy. In 2011/12, Internal Audit dealt with a total of 90 (113, 2010/11) potential irregularity referrals. All reported irregularities were risk assessed by Internal Audit and where appropriate an audit investigation undertaken. Where it was more appropriate, the matter was referred to directorates and follow up was undertaken.

Whistleblowing in respect of housing and council tax benefit is dealt with separately and is therefore not included in the above figures.

To further demonstrate the Council's commitment to safeguarding public funds internal audit externally publicises an email address (concerns@leeds.gov.uk) where potential irregularities can be reported. This will continue to be undertaken via the Council's internet.

3.5 Data Analytics

The Data Analytics project commenced in October 2011 concentrating initially on the council tax single person discount (SPD) review. Set procedures have been established for this review and to date over 53,000 SPDs have or are in the process of being reviewed. At the end of March 2012, a total of 896 SPDs have been cancelled, although 212 of these were applying for a different discount of the same value. The net annual increased billings for the cancellations to date is estimated at £145k.

In addition to this, the tenancy sub-letting review has commenced. The initial data analysis has been completed and the highest risk cases identified have been passed to the ALMOs to commence their initial review. Work on the other areas, e.g. Creditors, Voluntary Organisations, Council Tax Empty Properties, NNDR and Adult Social Care are to commence in 2012/13.

3.6 Open Book Reviews

Internal Audit has once again had success in open book reviews of the Council's suppliers in 2011/12. These are included in the table below. A number of days have been included in the Internal Audit operational plan for procurement, monitoring and improvement within which it is hoped that internal audit will be able to continue this important area of work.

3.7 Contract Procedure Rules

The procedures for waivers was seen to be cumbersome and not as helpful as they could be in assisting Directors and Chief Officers in the decision-making process.

A few clear principles were considered:

1. Chief Officers should be accountable for decisions to waive standing orders, and they must understand this clearly.
2. In making decisions about waivers Chief Officers need to take account of relevant considerations.
3. The decision-makers are entitled to expect that the Council's procurement officers, and indeed Internal Audit, where appropriate, can assist them in making those decisions.

A number of changes were made to improve the situation and to reflect the accountabilities of those involved. Waivers of contract procedure rules are now assessed by the Directorate themselves to consider the risks of the proposed course of action. This will reduce the turnaround time for decisions. However, the directorate can contact Procurement or Internal Audit for advice relating the procurement exercise if required.

3.8 Savings and Efficiencies

The following table provides a summary of the savings and efficiencies identified by Internal Audit for the 9 months from April 2011 to January 2012.

Table of Savings/Efficiencies

	Audit Area	Value £	Explanation
1	BPR Review – Children's Transport Efficiency	£76,000	The review highlighted that were LCC to review the provisions of its Children's Transport policy in line with those of other authorities and/or make some changes to the business processes, efficiency savings could be achieved. Based on a sample of responses from SEN Co-ordinators to a questionnaire on travel arrangements, the review highlighted the potential to consider the needs of existing users in relation to transport and to look at whether alternative, more independent methods of travel are appropriate within the authority's policy and guidelines. Based on the sample of responses from professionals, the potential to reduce demand on the service was approximately £76k.
2	School Meals and Voluntary Funds	£35,100	Monies being recovered through insurance.
3	Parking Permits	£22,000	Recommendation that the staff are charged for the uncollected salary contributions so these funds can be recovered.

	Audit Area	Value £	Explanation
4	Bus Operators Grant Claim	£5,200	Discrepancies were identified in the initial claim value resulting in an increase in the amount of the grant claim.
5	Data Analytics Project	£145,000	Annual equivalent net increase in Council Tax billings from review of Council Tax Single Person Discount (SPD) with approximately 896 SPDs being cancelled (although 212 have applied for or have been granted another discount to the same value.)
6	Open Book Review - Provider	£269,158	After examining actual spend, £269,158 of costs attributed to this contract could not be fully supported. Legal advice was recommended surrounding some of the costs included. Resulting from this work, and in agreement with the Provider, the Directorate has reduced the contract by £324k for both 2010/11 and 2011/12 with a further £300k savings agreed during 2011/12 prior to the end of the contract.
7	Open Book Review - Provider	£28,343	Amounts due back from contractor including additional commission calculated as being due on contract based on contract terms and conditions
8	Fraudulently Cashed Cheques	£506	Following advice from Internal Audit, Exchequer Services now refer cheques that had been encashed by a 3rd party to the NatWest fraud team for investigation. This approach seems to be successful as we have referred a few through recently and have been reimbursed for 1 of them.
9	Review of final account	£34,937	Reviewed a proposed commercial settlement for a capital scheme and agreed a revised figure.
	Total	£616,244	

Section 4

AUDIT PLAN 2012/2013

4.1 Background

The Head of Audit must provide an annual opinion on the overall adequacy and effectiveness of the entire control environment. Internal audit must therefore deliver a risk based plan with an appropriate and comprehensive range of work, sufficiently robust to confirm that all assurances provided can be relied upon by the CG&AC.

To develop this plan, there must be a sound understanding of the risks facing the Council. The Corporate Risk Register is used as a key source of information, as is the Internal Audit risk assessment of the Authority, which is updated during the year and used to form the basis of the Internal Audit plan. In addition, consultation has been undertaken with Heads of Finance or Chief Officers within Directorates to capture emerging risk areas to inform the audit planning process.

The audit plan has been reviewed and challenged by Audit Management Team, the Chief Officer (Audit and Risk), Resources Leadership Team, the Chief Officer (Financial Management) and the Director of Resources & Deputy Chief Executive and revised where necessary.

4.2 The Annual Plan

The planning process for 2012/13 has necessitated a thorough evaluation of the appropriate level and scope of coverage required to give stakeholders, including the CG&AC, an appropriate level of assurance on the control environment of the Council. More importantly, an on-going re-evaluation of this will be required throughout the year. On a quarterly basis, the audit plan will be re-assessed and resources re-prioritised towards the areas of highest risk. This will be reported to the CG&AC as part of the regular update reports.

4.3 How assurance can be given

4.3.1 Financial and Other Key Systems

There are a number of key systems that are considered of sufficient risk to be automatically included in the audit plan each year. These systems are agreed in advance with KPMG and are used as the basis by which KPMG are able to place reliance upon Internal Audit work. These are generally the systems that have the highest financial risk. This is the traditional area of internal audit work and very much focuses on providing the Section 151 officer assurance that “the Council has made arrangements for the proper administration of its financial affairs”. This will cover key expenditure systems such as payroll and creditors and income areas such as council tax and rents. These reviews also give an opinion as to

the effectiveness of financial management procedures and the arrangements to ensure the integrity of accounts.

4.3.2 Compliance

Compliance work is fundamental as it provides assurance across all Directorates and therefore underpins the Head of Internal Audit opinion on the control environment. This area of work involves compliance checks across the organisation to provide assurance on whether key policies and procedures are being complied with in practice.

4.3.3 Spending Money Wisely

This assurance block incorporates initiatives to promote the council's value of Spending Money Wisely including a series of plans to raise awareness including further promotion of the Spending Money Wisely reporting line and update of the Spending Money Wisely policy. In addition, 500 days have been included to undertake a number of Spending Money Wisely/Value for Money projects across the authority

4.3.4 Risk Based Plan

Following inclusion in the Plan of all the 'top sliced' areas outlined, the remaining audit areas (Risk Based Reviews) included in the audit universe are prioritised for inclusion based on their risk score up to the overall level of resources in the year. These will be a key element of the assurance on the entire control environment of the authority.

4.3.5 Procurement, Monitoring and Improvement

Within this assurance block, 400 days have been included for contract reviews. The first stage will be to identify the potential contracts for review and will incorporate open book reviews where required to ensure that these are operating in accordance with the terms of the contracts. Time has also been included for capital contracts to provide assurance that contract conditions and objectives/outcomes are being met, value for money is being achieved, contracts are delivered on time, within budget and meet stakeholders' expectations

4.3.6 Anti Fraud and Corruption

The Anti Fraud and Corruption assurance block includes both reactive and pro-active elements along with a number of initiatives to raise awareness of the council's anti fraud and corruption culture and to report on the arrangements in place. In addition to the time allocation for fraud investigation work including the risk assessment process for referrals, the assurance block includes an allocation of days for pro-active fraud strategy work.

4.3.7 Business Analysis

Each review in the VFM/efficiency/BPR area includes an 'as is' phase to document the current system and processes: the 'to be' stage (a lean, efficient system where resources are geared towards achieving agreed outcomes and management controls are timely and effective); understanding the sensitivity of change, such as demand, and the service's ability to both achieve agreed outcomes and budget; and where appropriate producing an assurance on the Internal Control Environment. However, with the move towards secondment of the BPR team to directorate projects, a reduced 'audit opinion' assurance will be gained from this work.

4.3.8 Internal Audit Income target

The Audit Plan for 2012/13 includes 840 days to provide internal audit services for which a charge is made.

4.3.9 Data Analytics

The days included for data analytics are intended to generate more savings and benefits than the cost of the contract and internal resources and, amongst other things, give good assurance towards the control environment that protects against tenancy fraud.

4.3.10 Update, Communication and Monitoring

Internal audit will review key corporate policies and procedures, which will give 'cross cutting' assurances to the CG&AC. These reviews will include assessing the arrangements to ensure that policies and procedures are up to date; fit for purpose; effectively communicated, routinely complied with across the organisation; and monitored. This will provide an evidence based assurance on those key policies and procedures that underpin the control environment.

4.4 Conclusion

The 2012/13 audit plan has, as a base, used the tried and tested risk based approach to prioritising internal audit work.

Progress against the plan will be monitored throughout the year and key issues reported to the Director of Resources, and the Chief Officer (Audit & Risk). The Head of Audit will report key issues arising from this work to the CG&AC.

INTERNAL AUDIT OPERATIONAL PLAN

2012/13

Summary by Assurance Block

Assurance Block	Days	% of total assurance days
Financial and Other Key Systems	800	16%
Compliance	800	16%
Spending Money Wisely	525	11%
Risk Based Plan	650	14%
Procurement, Monitoring and Improvement	595	12%
Contingency	480	10%
Anti Fraud and Corruption	869	18%
Head of Audit Assurances	50	1%
Update, Communication and Monitoring	55	1%
Professional Liaison	43	1%
Total Assurance Days	4867	100%

In addition to the days allocated for the assurance blocks listed above, the audit plan also includes days for the following:

Audit Area	Days
Total Business Analysis	1626
Total External Contracts	840
Total Data Analytics	400
	2866

Internal Audit Operational Plan 2012/13 - Detailed Reviews by Type

Audit	Days 12/13 Plan	Assurance Block	Directorate
Business Analysis			
Business Analysis Reviews	1626	Business Analysis	Cross- Cutting
Total Business Analysis	1626		
Data Analytics			
Data Analytics	400	Data Matching	Cross- Cutting
Total Data Analytics	400		
External Contracts			
School Voluntary Fund Audits	10	External Contracts	Contract Work
Strategic Landlord ALMO/BITMO Assurance Framework	320	External Contracts	Contract Work
West North West Homes Leeds (WNWHL)	137	External Contracts	Contract Work
East North East Homes Leeds	56	External Contracts	Contract Work
Aire Valley Homes	63	External Contracts	Contract Work
Leeds and Yorkshire Housing Association	27	External Contracts	Contract Work
Building Hope Charity	3	External Contracts	Central and Corporate Functions
Interreg Claim	6	External Contracts	Contract Work
Credit Union	35	External Contracts	Contract Work
Belle Isle Tenant Management Organisation	55	External Contracts	Contract Work
New Income to generate	128		
Total External Contracts	840		
Spending Money Wisely			

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Audit	Days 12/13 Plan	Assurance Block	Directorate
Efficiencies/Value for Money Arrangements	20	Spending Money Wisely	Cross- Cutting
Spending Money Wisely Policy	5	Spending Money Wisely	Cross- Cutting
Spending Money Wisely Reviews	500	Spending Money Wisely	Cross- Cutting
Total Spending Money Wisely	525		
Contingency			
General Contingency	480	Contingency	Contingency
Total Contingency	480		
Anti Fraud and Corruption			
Fraud Investigations	600	Anti Fraud and Corruption	Contingency
Returns and Reporting Requirements	59	Anti Fraud and Corruption	Cross- Cutting
Policies	50	Anti Fraud and Corruption	Cross- Cutting
Pro-active exercises	130	Anti Fraud and Corruption	Cross- Cutting
Anti Fraud Awareness	30	Anti Fraud and Corruption	Cross- Cutting
Total Anti Fraud and Corruption	869		
Financial and Other Key Systems			
Community Care	50	Financial and Other Key Systems	Adult Social Care
SAP Payroll	110	Financial and Other Key Systems	Cross- Cutting
Housing Benefits	90	Financial and Other Key Systems	Central and Corporate Functions
Housing Benefits Counter Fraud	20	Financial and Other Key Systems	Central and Corporate Functions
Treasury Management & Bankline	25	Financial and Other Key Systems	Central and Corporate Functions
Key Financial Systems - General Computer Controls	20	Financial and Other Key Systems	Central and Corporate Functions
Integrity of Accounts	30	Financial and Other Key Systems	Central and Corporate Functions
Creditors	90	Financial and Other Key Systems	Central and Corporate Functions
Capital Programme Controls	20	Financial and Other Key Systems	Central and Corporate Functions
Council Tax	30	Financial and Other Key Systems	Central and Corporate Functions
NDR	30	Financial and Other Key Systems	Central and Corporate Functions
Key Financial Systems - Year - End Reconciliations	40	Financial and Other Key Systems	Central and Corporate Functions
Housing Rents	25	Financial and Other Key Systems	Environment and Neighbourhoods
Bank Reconciliation & Cash Book	25	Financial and Other Key Systems	Central and Corporate Functions
Sundry Income	80	Financial and Other Key Systems	Cross- Cutting
Income Management System	25	Financial and Other Key Systems	Central and Corporate Functions
Financial Management Central Controls	20	Financial and Other Key Systems	Central and Corporate Functions
Knowledge and Information Governance Central Controls	20	Financial and Other Key Systems	Central and Corporate Functions
Schools Financial Services - Central Controls	20	Financial and Other Key Systems	Children's Services
ICT Central Health Check	30	Financial and Other Key Systems	Central and Corporate Functions
Total Financial and Other Key Systems	800		
Head of Audit Assurances			
West Yorkshire Integrated Transport Authority (WYITA) - Treasury Management Memo	2	Head of Audit Assurances	Central and Corporate Functions
Lord Mayors Charity	10	Head of Audit Assurances	Central and Corporate Functions
Leeds City Region New Growth Point Programme	3	Head of Audit Assurances	Central and Corporate Functions
Leeds City Region Urban Eco Settlements Programme	3	Head of Audit Assurances	Central and Corporate Functions

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Audit	Days 12/13 Plan	Assurance Block	Directorate
DCLG Growth and Housing Market Renewal Transition Fund	3	Head of Audit Assurances	Central and Corporate Functions
Leeds City Region	5	Head of Audit Assurances	Central and Corporate Functions
West Yorkshire Pension Fund	5	Head of Audit Assurances	Central and Corporate Functions
Bus Operators Grant	8	Head of Audit Assurances	Central and Corporate Functions
Troubled Families	10	Head of Audit Assurances	Children's Services
Interreg	1	Head of Audit Assurances	Adult Social Care
Total Head of Audit Assurances	50		
Compliance			
Compliance	800	Compliance	Cross- Cutting
Total Compliance	800		
Update, Communication and Monitoring			
HR Policies and Procedures	5	Update, Communication and Monitoring	Central and Corporate Functions
Health and Safety Policy	5	Update, Communication and Monitoring	Central and Corporate Functions
Contracts Procedure Rules	5	Update, Communication and Monitoring	Central and Corporate Functions
Financial Procedure Rules	5	Update, Communication and Monitoring	Central and Corporate Functions
Annual Governance Statement	5	Update, Communication and Monitoring	Central and Corporate Functions
Risk Management Policy	5	Update, Communication and Monitoring	Central and Corporate Functions
Business Continuity Policy	5	Update, Communication and Monitoring	Central and Corporate Functions
Emergency Planning Policy	5	Update, Communication and Monitoring	Central and Corporate Functions
Information Governance Policy	5	Update, Communication and Monitoring	Central and Corporate Functions
Exceptions to Contracts Procedure Rules	10	Update, Communication and Monitoring	Central and Corporate Functions
Total Update, Communication and Monitoring	55		
Procurement, Monitoring and Improvement			
Procurement Contract Monitoring	400	Procurement, Monitoring and Improvement	Cross- Cutting
Current Contract Audit - Capital Schemes	100	Procurement, Monitoring and Improvement	Cross- Cutting
Performance Management Central Controls	10	Procurement, Monitoring and Improvement	Central and Corporate Functions
Corporate Procurement Unit Central Controls	50	Procurement, Monitoring and Improvement	Central and Corporate Functions
Strategic Landlord Central Controls	25	Procurement, Monitoring and Improvement	Environment and Neighbourhoods
Duplicate Payments Central Controls	10	Procurement, Monitoring and Improvement	Cross- Cutting
Total Procurement, Monitoring and Improvement	595		
Professional Liaison			
West Yorkshire Fraud Group	3	Professional Liaison	Professional Liaison
CIPFA Computer Audit Sub Group	5	Professional Liaison	Professional Liaison
CIPFA Contract Audit Sub Group	5	Professional Liaison	Professional Liaison
Core Cities	10	Professional Liaison	Professional Liaison
West Yorkshire Audit Group	5	Professional Liaison	Professional Liaison
CIPFA National Working Groups	15	Professional Liaison	Professional Liaison
Total Professional Liaison	43		
Risk Based Audit Plan			
Risk Based Reviews	650		
Total Risk Based Reviews	650		
Total Internal Audit Plan	7733		