



CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Meeting to be held on Monday, 29th June, 2020
at 10.00 am (Remote Meeting)

MEMBERSHIP

Councillors

P Grahame	J Bentley	P Harrand
A Scopes (Chair)		M Harrison
P Truswell		J Taylor
J Illingworth		
B Garner		

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A G E N D A

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

Item No	Ward	Item Not Open		Page No
3			LATE ITEMS To identify items which have been admitted to the agenda by the Chair for consideration (The special circumstances shall be specified in the minutes)	
4			DECLARATION OF DISCLOSABLE PECUNIARY AND OTHER INTERESTS' To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.	
5			APOLOGIES FOR ABSENCE To receive apologies for absence (If any)	
6			MINUTES OF THE PREVIOUS MEETING To consider and approve the minutes of the previous meeting held on 16 th March 2020. (Copy attached)	7 - 14
7			MATTERS ARISING FROM THE MINUTES To consider any matters arising from the minutes.	

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8			REVISED STATEMENT OF ACCOUNTS TIMESCALES AND GRANT THORNTON AUDIT PLAN UPDATE 2019/20 To receive a report by the Chief Finance Officer which informs Members of the changes to the statutory timetable for publication of the 2019/20 statement of accounts. The report also sets out the changes to Grant Thornton's audit plan for 2019/20 in the light of the impact of the coronavirus pandemic. (Report attached)	15 - 26
9			INTERNAL AUDIT UPDATE REPORT MARCH TO MAY 2020 To consider a report by the Chief Finance Officer which provides a summary of the Internal Audit activity for the period March to May 2020 and to highlight any incidence of any significant control failings or weaknesses. The report also provides information on the impact of the Covid-19 emergency on priorities for and the resources available to conduct the 2020/21 Annual Internal Audit Plan. (Report attached)	27 - 50
10			APPLICATIONS PORTFOLIO PROGRAMME - UPDATE ON ACCESS PROJECT To consider a report by the Director of Resources and Housing which provides an update on progress with the Access 2003 replacement project. (Report attached)	51 - 58

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11			PROCUREMENT ASSURANCE REPORT - 2019/20 To consider a report by the Chief Finance Officer which seeks to assure the Committee that the procurement policies and practices are; monitored, up to date, fit for purpose, and effectively communicated. (Report attached)	59 - 80
12			ANNUAL DECISION MAKING ASSURANCE REPORT. To consider a report by the City Solicitor which provides one of the sources of assurance which the Committee is able to take into account when considering the approval of the Annual Governance Statement. The report sets out evidence to confirm the positive assurances given that decision making arrangements are; up to date, fit for purpose, effectively communicated; and embedded and routinely complied with. (Report attached)	81 - 100
13			WORK PROGRAMME To receive a report by the City Solicitor which notifies Members of the Committee's Work Programme for 2020/21 (Report attached)	101 - 106
14			DATE AND TIME OF NEXT MEETING To note that the next meeting will take place on Monday, 27th July 2020 at 10.00am (Remote Meeting)	

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

Use of Recordings by Third Parties– code of practice

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

Corporate Governance and Audit Committee

Monday, 16th March, 2020

PRESENT: Councillor A Scopes in the Chair
Councillors J Bentley, P Harrand,
J Illingworth, P Grahame, M Harrison,
J Taylor and B Garner

59 Appeals Against Refusal of Inspection of Documents

There were no appeals against the refusal of inspection of documents

60 Exempt Information - Possible Exclusion of the Press and Public

There were no items identified where it was considered necessary to exclude the press or public from the meeting due to the confidential nature of the business to be considered.

61 Late Items

There were no Late Items identified

62 Declaration of Disclosable Pecuniary and Other Interests'

There were no declarations of disclosable pecuniary interest made at the meeting

63 Apologies for Absence

Apologies for absence were received from Councillor P Truswell.

64 Minutes of the Previous Meeting

RESOLVED – That the minutes of the previous meeting held on 27th January 2020 were accepted as a true and correct record.

65 Matters Arising From the Minutes

The Deputy Head of Democratic Services reported on the following Matters Arising:

Minute No. 38 – Corporate Performance Management - Performance Management details re-circulated 28th January 2020

Minutes No.39 – Social Value in Procurement Scrutiny Board (Strategy & Resources) 20th January 2020_ Minute circulated 5th February 2020.

Draft minutes to be approved at the meeting
to be held on Date Not Specified

Minutes No. 40 – Planning Governance - Guidance on the referral process circulated 2nd March for comment

Minute No.52 – Government response to PWLB letter circulated 26th February 2020.

Minute No. 53 – Access Project Update - Project timetable included in update report on this agenda (16th March 2020)

Minute No. 54 - Customer Contact and Satisfaction - Ombudsman complaint details circulated 18th February 2020

Minute No.55 – Gareth Mills (Grant Thornton) to provide brief verbal update at this meeting (16th March 2020)

Minute No.57 – Work Programme amended – Revised programme included on agenda for this meeting (16th March 2020)

66 Applications Portfolio Programme - Update on Access Project

The Chair welcomed Neil Evans, Director of Resources and Housing to the meeting.

Addressing the report, the Director expressed his appreciation to the work of this Committee in escalating the Access 2003 replacement project. Members were reminded that in excess of 66,000 individual vulnerabilities to Public Sector Network compliance had been revealed by an IT Health Check, but that this number had been reduced to 595 individual vulnerabilities enabling re-instatement of the Council's PSN certificate, and that the service was continually updating to ensure compliance. All officers were now fully aware of the need to eradicate the Microsoft (MS) Access 2003 from the LCC network to enable the authority to maintain its current PSN Compliance Certificate. It was suggested that a shortage of expertise within the IT market had resulted in insufficient resources available to undertake the necessary works. It was reported that since the last meeting two additional developers had been assigned to the project together with the transfer of other internal resources.

Members expressed the view that only through the intervention of this Committee had the project been escalated. Assurance was required from the Corporate Leadership Team (CLT) that sufficient monitoring was in place to stop the creation of non compliant databases.

The Director of Resources and Housing said any blockages to compliance need to be escalated and not simply "lived with". Everyone needs to understand the importance of compliance, and that old / non compliant kit could no longer be used. In respect of the creation of new databases, it was confirmed that no new databases have been created.

The Chair asked if an IT strategy could be carried out possibly linked with Human Resources (HR) and Internal Audit.

The Director of Resources and Housing undertook to work with colleagues in Digital and Information Services (DIS) and Internal Audit (and potentially HR) to look at ways of supporting the work being undertaken to address the issue of C Drive storage.

The Chair thanked the Director of Resources and Housing for his attendance and contributions. He said compliance was a very important issue and must be prioritised accordingly

RESOLVED – That the contents of the report be noted and to support the actions identified

67 Annual Information Governance Report, including the Annual Report of the Caldicott Guardian

The Director of Resources and Housing and the Director of Adults and Health submitted the Annual Information Governance report setting out assurance in respect of the effectiveness of the Council's information management and governance arrangements: that they are up to date, fit for purpose, effectively communicated and routinely complied with.

The report also provides assurance around the systems and processes in place to support the role of the Caldicott Guardian.

Referring to access to historical children's social care records by the individual who was in care, Members asked who had authority to release such information.

Members were informed that the GDPR Practitioner in consultation with the Leeds Social Worker would have the authority to release the requested information. If the request was for employment records, the HR Business partner would be consulted.

Members asked if there was any independent oversight of these decisions.

Members were informed that if a request for information was turned down, an individual could seek redress through the Council's Corporate Complaints Procedure (Stages 1 & 2) requiring review by a Chief Officer/ Senior Officer from another LCC Directorate. Further appeal then lay to the Information Commissioner.

Members sought assurances around the security protocols in place for data sharing, information held at a Care Home, for example.

It was reported that LCC Officers involved in data sharing are expected to follow the necessary guidance/ policies and ensure they have the appropriate security software. Care homes are expected to complete the Data Security

and Protection Toolkit, and funding has been secured to assist smaller care homes to put policies and processes in place where they do not have sufficient skills or resources to do so.

Commenting on Freedom of Information/ Environmental Information Regulation requests, Members noted there was a significant backlog and future projected figures was a concern.

In responding the Director of Resources and Housing said FOI requests were incredibly time consuming to fulfil the obligations, often the information being sought was readily available and could be provided without the need to go through the FOI process, however four additional staff were being recruited. In addition the Council had a public access strategy to point people in the right direction.

Members noted the benchmarking work that had been undertaken in respect of the Caldicott Guardian role and asked that future reports provide information on the learning achieved; work done and progress made.

RESOLVED –

- (i) That the contents of the report be noted
- (ii) To note the assurance provided as to the Council's approach to information management governance

68 Internal Audit Update Report January to February 2020

The Chief Finance Officer submitted a report which provided a summary of the Internal Audit activity for the period January to February 2020 and to highlight any significant failings or weaknesses.

The Head of Audit said 11 audit reviews had been finalised within the reporting period resulting in 3 follow up reviews: ICT Projects – Benefits Realisation, In-House Fostering, Special Guardianship and Leaving Care and Commercial Rents. There were no RIPA intervention issues.

On the issue of Procurement, Members queried what percentage of procurement was undertaken by waivers.

Members were informed that an update would be provided at the next meeting but it was understood there were now stronger controls in place and consequently the use of waivers had significantly decreased, however there was a need to check if a waiver was applicable.

Members asked that the update report include details of the number of waivers undertaken by reference to the overall percentage of procurement activity, and the total value of waiver decisions.

Officers confirmed the requested information would be included.

Although not referred to in the submitted report one Member raised the issue of Viability Assessments Reports. The Head of Internal Audit undertook to consider how best to address the matter.

RESOLVED –

- (i) To receive the Internal Audit Update Report covering the period from January to February 2020 and note the work undertaken by Internal Audit during the period covered by the report.
- (ii) 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.
- (iii) To note the information provided by the Head of Service (Legal) confirming there has been no recent use of the Council's surveillance powers under RIPA

69 Internal Audit Plan 2020-21

The Chief Finance Officer submitted a report which presented the proposed Internal Audit Plan for 2020 – 21 for review and approval.

The report also included a summary of the basis for the plan which had been developed in consultation with senior management.

Referring to paragraph 3.3 of the submitted report, Members noted there were more Full Time Employees (FTW) 16.78 in the Internal Audit team compared to 16.14 FTEs for the 2019/20 period. Members queried if this number was sufficient to complete the plan for 2020-21 and how did these numbers compare with other Core Cities.

The Head of Internal Audit said other Core Cities were currently in the process of agreeing audit plans and budgets for the coming year, and as such benchmarking data around planned activity for 2020-21 was not yet available. There was a large number of qualified auditors in Leeds and there was strength in depth and it was considered there were sufficient resources available to complete the Internal Audit Plan 2020-21.

Within the new plan Members noted that 100 audit days had been allocated to "Follow Up and General Contingency" and queried how this time would be allocated.

Members were informed that known follow up reviews were already included in the plan and that this figure provided time to enable additional reviews to be undertaken, and for follow up work that had not yet been identified.

RESOLVED – That the Internal Audit Plan for 2020 – 21 be approved

Draft minutes to be approved at the meeting
to be held on Date Not Specified

70 Annual Assurance Report on the Financial Management and Control Arrangements and Compliance with the Chief Finance Officer Protocol

The Chief Officer Financial Services submitted a report which sought to assure this Committee that the Council had in place appropriate systems and procedures to ensure that there is sound financial management and control across the Authority.

Members were informed that the Council had established an effective financial control environment and specifically robust arrangements for strategic financial planning combined with effective financial management and control.

With reference to paragraph 3.1.6 Members sought confirmation that the Chief Officer Financial Services had appointed a deputy and that as well as keeping briefed on any relevant issues that they may be required to deal with in the absence of the Section 151 Officer, deputy finance officer, Richard Ellis, should be named in next year's statement.

Members were informed that the necessary arrangements were in place and that the deputy finance officer would be named in the report next year.

Members also sought confirmation that the Chief Officer Financial Services would meet regularly with the Head of Paid Service and the Monitoring Officer to consider and recommend action in connection with Corporate Governance issues and other matters of concern regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to do or arise. Members queried how many times in the past 12 months had such issues been discussed.

Members were informed that the requested information was not readily available, enquiries would be made and reported back to Members.

With reference to paragraph 3.2.3 of the submitted report and the reduction in business rate income resulting in a deficit on the collection fund, Members queried the level of provision for business rate appeals and details as to the allocation of the budgeted increase in staffing across directorates

Members were informed that the value of provision was between £17- 20m; and that additional posts were allocated 41 to Adults and Health, 135 to Children and Families, 52 to City Development, 67 to Communities and Environment and 54 to Resources and Housing. Of this increase of 349, 270 were funded and therefore don't impact upon the net revenue budget.

Members asked what preparations had been made for implementation of the Financial Management Code referred to in paragraph 3.6.13.

Members were informed that a review of the financial management framework was ongoing and that the Code would be implemented in the next 12 months.

RESOLVED –

- (i) To note the assurances of the Chief Officer Financial Services that the appropriate systems and procedures are in place to ensure that the Council delivers sound financial management and control across the authority.
- (ii) To note that the arrangements set out in the Chief Financial Officer protocol, as referred to in Section 5K of the Council's Constitution had been complied with

71 Annual Treasury Management Governance Report

The Chief Officer Financial Services submitted a report which presented the Annual Treasury Management Governance Report which outlines the governance framework for the management of the Council's Treasury Management function.

The Chair invited Gareth Mills (Grant Thornton) to address Committee and provide an update on the 2019/20 audit plan.

Mr Mills said he was pleased with the interim audit work carried out so far, representatives from Grant Thornton had met with the necessary officers from the authority. It was reported that a key member of the Grant Thornton team would be shortly leaving the company, a new replacement auditor had been identified and would assume their new role shortly. There was a potential risk that in view of the circumstances the audit opinion may not be available by 31st July, currently discussions were ongoing with other organisations with a view to delaying other audit work.

The Chair asked if some assurance could be provided that the audit work for this authority was being prioritised.

Mr Mills said it must be acknowledged that there is a shortage of qualified auditors across the Country. A replacement auditor has been identified who has other audit commitments but Grant Thornton are seeking to provide the best opportunity to achieve 31st July deadline, however, this may all change as audits get put back due to the coronavirus. In such circumstance a brief paragraph for publication explaining the delay would be agreed, to confirm that work was ongoing.

Members asked if there were any contract/ completion date implications for Grant Thornton

Mr Mills said there were no contract/ date implications, and an opinion on the accounts could only be provided once he had obtained reasonable assurance that they presented a true and fair view.

Members asked if Grant Thornton had sufficient staff to achieve contract.

Mr Mills said there was not enough public sector auditors to deliver 500 local government audits by 31st July. A number of audits across the North of England had been delayed, but Leeds was not one of them.

RESOLVED - To note that Treasury Management continues to adhere to its governance framework including the CIPFA Code of Practice, the Prudential Codes 2017 and revised CIPFA guidance notes issued in 2018. All borrowing and investments undertaken had been compliant with the governance framework.

72 Draft Annual Report of the Committee

The City Solicitor submitted a report which presented the draft annual report reflecting the work of the Committee in the 2019/20 Municipal year and sought the view of Members as to whether any additional commentary was required.

RESOLVED –

- (i) That the draft Annual Report for 2019/20 as set out at Appendix 1 of the submitted report be approved
- (ii) That the report be referred to Full Council for consideration.

73 Work Programme 2020/21

With reference to the previous meeting and the decision to review the Work Programme with a view to reducing the number of items for the next meeting and to consider a possible additional meeting of the Committee.

The Deputy Head of Democratic Services reported that a review of the Work Programme had been undertaken and a revised Work Programme was submitted for Members consideration.

RESOLVED – That the revised Work Programme for 2020 be approved

74 Date and Time of Next Meeting

RESOLVED – To note that the next meeting will take place on Monday, 29th June 2020 at 10.00am in the Civic Hall, Leeds.



Report author:	Mary Hasnip
Tel:	x89384

Report of the Chief Finance Officer
Report to Corporate Governance and Audit Committee
Date: 29th June 2020
Subject: Revised Statement of Accounts timescales and Grant Thornton Audit Plan Update 2019/20

Are specific electoral wards affected?	☐ Yes ☒ No
If yes, name(s) of ward(s):	
Has consultation been carried out?	☐ Yes ☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes ☒ No
Will the decision be open for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information?	☐ Yes ☒ No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary

Main issues

1. In response to the additional pressures on council finance teams as a result of the coronavirus pandemic and the resulting lockdown, the government has extended the statutory timescales for the production of the 2019/20 statement of accounts. This report sets out the new statutory requirements and the council's planned timescales.
2. Grant Thornton presented their annual audit plan for 2019/20 to the January meeting of the Committee. The attached report and covering letter is an update to that audit plan, setting out the changes they have identified to their risk assessment and their audit approach as a result of the current situation.

Best Council Plan Implications and Resource Implications

3. There are no implications for the Best Council Plan and no resource implications arising from this report.

Recommendations

4. Members are asked to note the revised timescales for production of the 2019/20 statement of accounts, and to note and agree the changes to Grant Thornton's 2019/20 audit plan.

1. Purpose of this report

- 1.1 This report informs members of the changes to the statutory timetable for publication of the 2019/20 statement of accounts.
- 1.2 The report also informs members of changes to Grant Thornton's audit plan for 2019/20 in the light of the impact of the coronavirus pandemic. The attached report from Grant Thornton highlights the changes that they have made to the plan.

2. Background information

- 2.1 The deadlines for the production of local authorities' annual statement of accounts are given in the Accounts and Audit Regulations 2015.
- 2.2 Grant Thornton's statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice. As the Council's external auditors, Grant Thornton are required to satisfy themselves that the Council's accounts comply with statutory requirements and that they have been compiled according to proper practices. In addition they are also required to conclude as to whether the Council has arrangements in place for securing economy, efficiency and effectiveness in the use of resources.
- 2.3 Under the Committee's Terms of Reference, its role includes consideration of the Council's arrangements relating to external audit requirements including agreement and review of the nature and scope of the annual audit plan, and the receipt of external audit reports.

3. Main issues

- 3.1 2019/20 Statement of accounts timescales
 - 3.1.1 In response to the additional pressures on local authorities and their finance teams as a result of the coronavirus pandemic, the government issued the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 which extended the dates for the local authority statement of accounts and audit process. The amended dates apply only to the 2019/20 statement of accounts.
 - 3.1.2 Under the amended regulations, local authorities must publish their draft statement of accounts by 31st August, and must start the public inspection period no later than 1st September. The revised deadline for the publication of the final audited accounts is 30th November. However, in the accompanying guidance to the new Regulations, the government encourages local authorities to publish their accounts earlier than these dates if they are able to do so.
 - 3.1.3 The council is aiming to complete its draft accounts by the end of June. The public inspection period when the draft accounts will be published alongside the interim Annual Governance Statement is planned to start on 6th July. It has been agreed with Grant Thornton that their audit will start on 13th July.
 - 3.1.4 The draft accounts will be presented to the July meeting of the Committee.

3.2 Grant Thornton External Audit Plan update

- 3.2.1 The attached report and covering letter from Grant Thornton explain the changes to their audit plan as a result of the coronavirus pandemic. These cover the identified risks, the audit approach and the planned timescales.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Audit Plan update does not raise any issues requiring consultation or engagement with the public, ward members or Councillors.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 There are no issues regarding equality, diversity, cohesion and integration.

4.3 Council policies and the Best Council Plan

- 4.3.1 Under the Committee's terms of reference members are required to agree the nature and scope of the external audit plan.

Climate Emergency

- 4.3.2 There are no climate implications arising from this report.

4.4 Resources, procurement and value for money

- 4.4.1 The audit plan update outlines revisions to Grant Thornton's audit approach in assessing whether the Council has proper arrangements for securing value for money.

4.5 Legal implications, access to information, and call-in

- 4.5.1 In their audit plan presented to the Committee in January, Grant Thornton outlined how they proposed to discharge their responsibilities as defined by in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice. This update explains the changes made to that plan in response to the coronavirus pandemic.
- 4.5.2 As this is a factual report based on past financial information none of the information enclosed is deemed to be sensitive or requesting decisions going forward, and therefore raises no issues for access to information or call in.

4.6 Risk management

- 4.6.1 The report from Grant Thornton identifies the impact of the coronavirus pandemic as a new key risk in the context of their audit of the council's financial statements.

5. Conclusions

- 5.1 The government has significantly extended the statutory timescales for production of the 2019/20 statement of accounts. As a result, the council aims to produce its draft statement of accounts by the end of June, with the public inspection period for the draft accounts and the interim Annual Governance Statement planned to start on 6th July.
- 5.2 Grant Thornton have provided an update to their audit plan, setting out changes to the identified risks, the audit approach and the planned timescales due to the coronavirus pandemic.

6. Recommendations

- 5. Members are asked to note the revised timescales for production of the 2019/20 statement of accounts, and to note and agree the changes to Grant Thornton's 2019/20 audit plan.

7. Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

External Audit Plan update

Year ending 31 March 2020

Leeds City Council
21 April 2020



1. Introduction & headlines

Purpose

This document provides an update to the planned scope and timing of the statutory audit of Leeds City Council ('the Authority') as reported in our Audit Plan dated 9 January 2020, for those charged with governance.

The current environment

In addition to the audit risks communicated to those charged with governance in our Audit Plan dated 9 January 2020, recent events have led us to update our planning risk assessment and reconsider our audit and value for money (VFM) approach to reflect the unprecedented global response to the Covid-19 pandemic. The significance of the situation cannot be underestimated and the implications for individuals, organisations and communities remains highly uncertain. For our public sector audited bodies, we appreciate the significant responsibility and burden your staff have to ensure vital public services are provided. As far we can, our aim is to work with you in these unprecedented times, ensuring up to date communication and flexibility where possible in our audit procedures.

Impact on our audit and VFM work

Management and those charged with governance are still required to prepare financial statements in accordance with relevant accounting standards and the Code of Audit Practice, although now to an extended deadline, which for the preparation of the financial statements can be up to 31 August 2020, and the date for the audited financials statements up to 30 November 2020. We are continuing to liaise with management to agree appropriate timescales relevant for Leeds City Council. We continue to be responsible for forming and expressing an opinion on the Authority's financial statements and VFM arrangements.

In order to fulfil our responsibilities under International Auditing Standards (ISA's (UK)) we have revisited our planning risk assessment. We may also need to consider implementing changes to the procedures we had planned and reported in our Audit Plan to reflect current restrictions to working practices, such as the application of technology to allow remote working. Additionally, it has been confirmed since our Audit Plan was issued that the implementation of IFRS 16 has been delayed for the public sector until 2021-22.

Changes to our audit approach

To date we have:

- Identified a new significant financial statement risk, as described overleaf
- Reviewed the materiality levels we determined for the audit. We did not identify any changes to our materiality assessment as a result of the risk identified due to Covid-19.

Changes to our VFM approach

We have updated our VFM risk assessment to document our understanding of your arrangements to ensure critical business continuity in the current environment. We have not identified any new VFM risks in relation to Covid-19.

Conclusion

We will ensure any further changes in our audit and VFM approach and procedures are communicated with management and reported in our Audit Findings Report. We wish to thank management for their timely collaboration in this difficult time.

2. Significant risks identified: Covid-19 pandemic

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Covid – 19	The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to: - Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation - Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates - Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen - Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties. We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.	We will: • Work with management to understand the implications the response to the Covid-19 pandemic has on the organisation's ability to prepare the financial statements and update financial forecasts and assess the implications on our audit approach • Liaise with other audit suppliers, regulators and government departments to co-ordinate practical cross sector responses to issues as and when they arise • Evaluate the adequacy of the disclosures in the financial statements in light of the Covid-19 pandemic • Evaluate whether sufficient audit evidence using alternative approaches can be obtained for the purposes of our audit whilst working remotely • Evaluate whether sufficient audit evidence can be obtained to corroborate significant management estimates such as asset valuations and recovery of receivable balances • Evaluate management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment • Discuss with management any potential implications for our audit report if we have been unable to obtain sufficient audit evidence.



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21 April 2020

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Dear Victoria

Audit scope and additional work 2019-20

I hope you and your colleagues are all keeping safe and well in these very unusual and difficult times. In this letter, I want to update you on our plans to work with you over the coming months, and to ensure that we plan our audit effectively, to provide assurance for those charged with governance, and to deliver a high quality audit to all users of the audit, whilst also seeking to maintain our fee within the envelope which we discussed previously.

I wrote to you previously regarding our detailed audit proposals on 9 January 2020, to outline how the increased regulatory focus facing all audit suppliers was impacting on our planned audit programme. I set out in my letter my expectation of what this would mean for our audit coverage for 2019-20, as well as for the audit fee. Items I highlighted in particular included the impact of 'raising the bar' to meet the FRC's expectation that all audits would now achieve a level of 2a (acceptable with limited improvements only) or above. I explained that we would need to increase our managerial oversight to achieve this audit standard. In addition, I outlined how you should expect the audit team to exercise even greater challenge of management in areas that are complex, significant or highly judgmental. I also outlined the specific additional work which we would need to undertake in complex areas of the accounts with high estimation uncertainty, such as Property, Plant and Equipment and Pensions valuations. I also outlined our planned use of an auditor's expert for PPE valuation. I set out full details in my audit plan dated 9 January 2020, where I advised that my estimate was that an additional fee of £20,350 would be required to complete the audit.

Subsequent to the above, global events have moved in an unexpected and tragic direction. None of us could have foreseen in January the impact that the Covid19 crisis has had on the world. As a local government body, you are at the forefront of efforts to support local people, and clearly the focus of the Authority will be directed to supporting local communities as best you can in these exceptionally difficult circumstances. As your auditors, we absolutely understand the challenges that you and your teams are facing and we have already been discussing with you and your team how we can work with you as effectively as we can. At these challenging times it is even more important to ensure that we can deliver a high quality audit, focused on good governance and the application of relevant accounting and auditing standards, whilst recognising the day to day pressures you face.

With this in mind we have prepared an update to our Audit Plan for 2019-20 and I attach this for your consideration. The following are the key points which I particularly wish to highlight for your attention.

Addition of a significant audit risk in respect of Covid 19:

The crisis has increased audit risk factors in the following areas:

- Remote working arrangements and redeployment of staff to critical front-line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation;
- Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management's estimates;
- Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and their overall financial resilience and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and
- Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties.

We have set out in the Audit Plan update the additional work we propose to undertake in respect of this new significant risk. Fundamental to our response will be working with you to understand the arrangements the Authority has in place to address relevant risks in respect of Covid 19 in its accounts preparation. We will also review the appropriateness of your disclosures, including in respect of any estimation uncertainties around for example PPE and Pensions asset valuations.

Value for Money and Financial Standing

As part of our VfM work we will ensure we understand the arrangements you are putting in place to manage risks around business continuity in the current crisis. We do not envisage this will be a significant audit risk for 2019-20, although we will keep this under review for 2020-21. We will also review your assessment of going concern and financial stability in the light of increased uncertainties around for example Council Tax and NNDR collection rates, car park income and investment properties. We envisage linking the additional VFM work around financial standing with our Going Concern opinion work.

Regulatory changes.

As you will be aware, earlier this month, CIPFA decided to adopt a small number of presentational changes to its Accounting Code of Practice for 2019-20. The changes which are now proposed to the Code, for example around disclosure, will have only a marginal impact on the audit. The additional audit risk factors that I highlighted in my January 2020 letter regarding raising the bar, PPE and Pensions work, for example, will therefore all still be required this year. You will also be aware that the Government accounting Financial Reporting Advisory Board (FRAB) has deferred the implementation of IFRS 16 by a year. Whilst IAS 8 disclosures will be required, this change will lead to some reduction in preparatory work required by both you and us, for this year at least.

Finally, MHCLG has revised the publication date for the draft accounts to 31 August and set a target date for publication of audited accounts of 30 November 2020. Whilst flexibility in moving away from July is welcome, a number of authorities have highlighted the risk that a delayed closedown process could impact on their budget programme for 2021-22. We are keen to agree a timetable that works for you, and that we can both commit too. We have provisionally agreed a target date for completing the audit around 13 October 2020 following discussions with Richard Ellis and Mary Hasnip.

Fee impact

As I set out in my previous letter, final audit fees are determined by PSAA, after the audit has been completed. At this stage, it is difficult to quantify the impact of the additional work required in respect of Covid19. My best estimate is that, taking into account increased work in respect of Covid 19, and reduced work on IFRS 16, the fee set out in our Audit Plan of 9 January 2020, totalling £198,954, remains appropriate, and we will do our best to work within this envelope. Should circumstances change, we will let you know.

I hope this is helpful and allows you to plan accordingly for the 2019-20 audit. Should you wish to discuss this further, please do not hesitate to contact me. I attach a copy of our Audit Plan update for your comment. We look forward to working with you again this year.

Yours sincerely

Gareth

Gareth Mills

Engagement Lead

For and on behalf of Grant Thornton UK LLP

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Report of the Chief Officer (Financial Services)

Report to Corporate Governance and Audit Committee

Date: 29 June 2020

Subject: Internal Audit Update Report March to May 2020

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes ☒ No
Has consultation been carried out?	☐ Yes ☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes ☒ No
Will the decision be open for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes ☒ No

Summary

1. Main issues

- This report provides assurance that the internal control environment is operating as intended through a summary of the Internal Audit activity for the period from March to May 2020 and highlights the incidence of any significant control failings or weaknesses..
- This report also provides Members with the proposed revision to 2020/21 Internal Audit Plan necessary as a result of the COVID-19 response.

2. Best Council Plan Implications

- The work of Internal Audit contributes to Leeds City Council achieving its key priorities by helping to promote a secure and robust internal control environment, which enables a focus on accomplishing the Best Council Plan objectives.

3. Resource Implications

- A risk-based approach has been used to devise an Internal Audit plan that promotes the effective and efficient use of resources across the organisation.

4. Recommendations

- The Corporate Governance and Audit Committee is asked to
 - a) receive the Internal Audit Update Report covering the period from March to May 2020 and note the work undertaken by Internal Audit during the period covered by the report;
 - b) note that there have been no limitations in scope and nothing has arisen to compromise the independence of Internal Audit during the reporting period;
 - c) approve the proposed risk based prioritisation of the Annual Internal Audit Plan 2020/21

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 2020 and highlight the incidence of any significant control failings or weaknesses.
- 1.2 The report also provides information on the impact of the Covid-19 emergency on priorities for and the resources available to conduct the 2020/21 Annual Internal Audit Plan.

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 Committee also considers the Council's arrangements relating to internal audit requirements, including monitoring the performance of Internal Audit.
- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 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.
- 2.6 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. Main issues

Audit Reports Issued

- 3.1 The title of the audit reports, relating to reviews carried out under the 2019/20 Internal Audit Annual Plan, and issued between March and May 2020 and level of assurance provided for each review is detailed in table 1 below.

Table 1: Summary of Reports Issued March to May 2020

Report Title	Audit Opinion		
	Control Environment Assurance	Compliance Assurance	Organisational Impact
Key Financial Systems			
Council Tax	Substantial	N/A	Minor
Capital Programme Central Controls	Substantial	N/A	Minor
Benefits: Assessment and Payments	Substantial	N/A	Minor
Housing Rents	Substantial	Substantial	Minor
Total Repairs	Substantial	Good	Minor
Sundry Income – Bereavement Services	Substantial	Substantial	Minor
Treasury Management	Substantial	Substantial	Minor
Resources and Housing			
Waivers of Contract Procedure Rules (CPRs) Follow Up	Good	Acceptable	Minor
ICT and Information Governance			
Applications Portfolio Programme	Acceptable	N/A	Moderate
Adults and Health			
Customer Information System (CIS) Payments	Substantial	Good	Minor
Schools			
School Voluntary Funds x 1	Certification of Balances		

2019/20 Internal Audit Plan

3.2 During the reporting period, there have been no limitations in scope and nothing has arisen to compromise our independence. We have finalised 11 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.

3.3 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

3.4 Of the audit reviews finalised during the period, no weaknesses have been identified that would result in a 'major' organisational impact and none of the reviews have resulted in a limited or no assurance opinion.

Follow Up Reviews

3.5 We have finalised one follow up review during the reporting period:

Waivers of Contract Procedure Rules (CPRs)

3.5.1 In January 2019 we reported the outcomes of our audit of waivers of Contract Procedure Rules (CPRs). Whilst the original audit provided acceptable assurance overall, we provided limited assurance on the extent to which waivers were being reviewed and analysed to enable lessons learned to be fed back into procurement processes. Given the importance of ensuring that all procurement decisions are taken with regard to the financial, legal and transparency implications, we opted to carry out a full follow up audit of the waiver process.

3.5.2 Having now completed our follow up review we are able to provide good assurance for the control environment. The council's CPRs have been refreshed to require consultation with Procurement and Commercial Services (PACS) before a decision is taken to waive CPRs, and this has been supplemented with further guidance outlining the legal and regulatory framework to be considered. Formalising the requirement to consult with PACS also serves to strengthen the central oversight in place to support the continuous review and improvement of procurement processes.

3.5.3 Recent data supplied by PACS confirms that the number of waivers processed across the authority has fallen over each of the last three years, with 79 waivers processed in 2019/20 as opposed to 153 in the previous year. Our opinion of acceptable assurance for compliance reflects the fact that there are opportunities to further embed the processes that will sustain the positive direction of travel. Our main recommendation focusses on training to further promote the importance of compliance with CPRs and strengthen the close working between directorates and PACS that will ensure waivers are limited to exceptional circumstances.

Counter Fraud and Corruption

- 3.6 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.

Proactive Anti-Fraud Work

- 3.7 As previously reported 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.

- 3.8 Relevant teams within the Council (for example, Internal Audit, Benefits, Blue Badge and Adult Social Care) have been working through the matches on a risk basis. This work has been ongoing since January 2019. During the reporting period this work has:

- Identified 1 Vat error (£1140); and
- Prevented two further right to buy sales, with estimated savings of £72k for each property
- The total overpayments/errors identified to date (benefits and Vat) £204,771

- 3.9 To help ensure that there is an effective counter fraud culture in place within Leeds City Council, we have included time in the counter fraud block to undertake proactive fraud reviews. These reviews consider areas identified through various methods, including the use of best practice publications and our internal risk assessments. We have concluded one proactive review in this period relating to purchasing card transactions. Recommendations were raised to improve compliance with procedures.

Reactive Anti-Fraud Work

- 3.10 During the reporting period we have received 15 potential irregularity referrals. All reported irregularities were risk assessed by Internal Audit and are either being investigated by ourselves, the relevant directorate or HR colleagues, as appropriate.

- 3.11 During the reporting period 17 referrals have been closed. There are 15 referrals that are currently open and being investigated. One of the referrals remains under investigation by police. We are currently working with the service area involved to conclude our investigation.

Other Internal Audit Work

Response to COVID-19

- 3.12 Ever since the COVID-19 pandemic hit the UK, and more so since the lockdown was implemented from 23 March 2020, Councils have had to rethink service delivery. Internal Audit have supported colleagues in Leeds during this process to ensure that internal controls remain in place and good governance is adhered to.
- 3.13 This support has been in many forms, from simple ad-hoc advice, to larger project work as described below.

Small Business Grant and Retail, Leisure and Hospitality Grants

- 3.14 On 11 March 2020, as part of the Chancellor's budget statement, the Government announced they would provide financial support for certain types of business in response to the economic effects of the COVID-19 pandemic. It was also announced that the administration of this support would lie with local authorities. The support is to be delivered in the form of two grants, Small Business Grant and Retail, Hospitality and Leisure Grant. Given the urgency of these payments and the data currently held within the Council, it was decided that Leeds City Council would utilise the Business Rates system for this purpose and issue the grant payments through the refunds process already in operation.
- 3.15 Internal Audit implemented a major project to support Business Rate colleagues by undertaking due diligence on the businesses considered eligible for the grant. This due diligence approach was multi-faceted. Our Data Analytics expert utilised Cabinet Office's 'Spotlight' Digital Assurance Tool. This tool enabled us to match, or not, the Council's existing data within the business rates system with information available from Government sources such as Companies House and the Charity Commission. We processed 5,758 businesses through the Spotlight Tool. For the businesses where this information was not available (approx. 2,300), Internal Audit have undertaken manual checks to mitigate the risk of fraud and error. This work has contributed to £137.63m of grant payment support (as at 28 May 2020) to be paid to businesses within Leeds.

Community Care Volunteers Paid for Shopping Process

- 3.16 In response to the COVID-19 Pandemic Adults & Health have been working with voluntary organisations and a number of volunteers across the city to support people who are unable to leave their homes. Within this group are people who are able to pay for their shopping but unable to go shopping themselves. The internal audit service provided advice to the directorate on the process and the controls within. It was essential that it did not require the person to provide a payment card and pin number to the volunteer. The service is providing ongoing advice and guidance to Adults and Health on these processes, including how people are to be billed for the shopping once it has been received.

Waterside Temporary Mortuary

- 3.17 Internal Audit were approached by Human Resources to identify whether any resources could be made available to assist with the administration at the temporary Waterside mortuary facility. Due to the requirement for high attention to detail, Internal Audit had been identified as having the necessary skillset. This

resulted in one member of the audit team undertaking a number of training sessions and practice shifts on-site. This involved learning the processes and procedures required should the site become fully operational, and being trained to use the specialist NHS system required. Currently the facility is not in use, however should this be required the support and resource from within audit will be provided where necessary.

Internal Audit Performance

- 3.18 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.
- 3.19 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.
- 3.20 For the period from 1 March 2020 to 31 May 2020 we have issued a total of 13 Customer Satisfaction Questionnaires and received 10 completed returns at a response rate of 77% in the period. A summary of the scores is presented in table 2. A full analysis of the 2019/20 data will be presented with the Annual Report, scheduled for September 2020.

Table 2: Results from Customer Satisfaction Questionnaires for the period 1 March 2020 to 31 May 2020.

Question	Average Score (out of 5)
Sufficient notice was given	4.67
Level of consultation on scope	4.74
Auditor's understanding of systems	4.50
Audit was undertaken efficiently	4.76
Level of consultation during the audit	4.71
Audit carried out professionally and objectively	4.93
Accuracy of draft report	4.78
Opportunity to comment on audit findings	4.93
Clarity and conciseness of final report	4.83
Prompt issue of final report	4.63
Audit recommendations will improve control	4.64
The audit was constructive and added value	4.74
Overall Average Score	4.74

- 3.21 A summarised version of the 2019/20 Audit Plan is detailed at Appendix A to provide members with an overview of the objective of each review and the current status. This also includes audits that have been carried forward into the 2019/20 audit year from the 2018/19 Audit Plan. Planned audits are those that are anticipated to be completed for inclusion within the Head of Internal Audit Report and Opinion that will be presented to the Corporate Governance and Audit Committee in preparation for consideration of the Audited Accounts and Annual Governance Statement. As a result of resourcing implications and risk prioritisation, not all audits that were included in the Internal Audit Plan for 2019/20 may be completed by then. The outstanding audits have either been included in next year's audit plan or considered for future audit coverage as a result of our ongoing risk assessment.

Proposed Adjustments to 2020/21 Internal Audit Plan

- 3.22 The 2020/21 Internal Audit Annual Plan was approved by the Committee at its meeting in March 2020.
- 3.23 Since that time, Internal Audit's efforts have been heavily focused across a number of areas linked to the council's response, as detailed at para 3.12. The consequence of this is that the audit work that was originally planned will reduce, just as the risk profile and organisational priorities will continue to shift.
- 3.24 The Head of Audit has provisionally re-prioritised the audits within the approved audit plan with the following priority ratings:
- 1 The audit must be completed. The review needs to be completed either because it is currently fundamental to the Annual Audit Opinion, is a requirement for the s151 responsibilities or is a required follow up review.
 - 2 The audit remains a high priority. Internal Audit will endeavour to complete these reviews where possible as they link to key council and directorate risks and will supplement the Annual Audit Opinion.
 - 3 The audit has been classified as a lower priority following reassessment of the current risk profile. These audits will remain on a contingency list of reviews that may be completed subject to the availability of resources.
 - 4 The audit will not be undertaken during 2020/21 unless the risk profile significantly increases. These audits will be reconsidered during the 2021/22 planning process.
- 3.25 This prioritisation process was informed by a series of discussions held between the Directors, Chief Officers and other key contacts across the Council with Internal Audit.
- 3.26 The audits assessed as priority 1 are detailed in Appendix B. This will not be the totality of the audit reviews undertaken during 2020/21. However, it is the revised starting point. Internal Audit will remain in regular contact with the Intelligence and Policy section (Risk Management) as well as established key contacts to enable consideration of new and emerging risks as they come to light throughout the year.

3.27 The Head of Internal Audit continues to manage available resources to direct these towards the highest areas of 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).

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 the 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.

4.3.2 The Internal Audit Plan has links to risks that may affect the achievement of Best Council Plan objectives and the aims of council policies.

Climate Emergency

4.3.3 Internal Audit will consider the Climate Emergency in the development of Annual Internal Audit Plans and in the scope of all relevant audits.

4.4 Resources, procurement 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, including coverage of procurement activity.

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 2020 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 :

- a) receive the Internal Audit Update Report covering the period from March to May 2020 and note the work undertaken by Internal Audit during the period covered by the report;
- b) note that there have been no limitations in scope and nothing has arisen to compromise the independence of Internal Audit during the reporting period;
- c) approve the proposed risk based prioritisation of the Annual Internal Audit Plan 2020/21

7. Background documents

7.1 None.

Appendix A – Status of Planned Audits from the 2019/20 Audit Plan and Follow Up Reviews

Audit Area	Overview of Assurance	Status / CGAC Meeting
Grants and Head of Audit Assurances		
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 2019, January 2020, March 2020 and ongoing
ICT and Information Governance		
Privileged User Access	To ensure that there are appropriate procedures in place to manage privileged user accounts.	Reported March 2020
Access Database Project	To provide assurance that the Council is aware of all access databases that require action and that there are appropriate plans in place to ensure that the deadline for PSN compliance is met.	Reported November 2019
Community Cloud	To provide assurance that the Community Cloud project is being managed to deliver its intended outcomes.	In progress
Application Portfolio Programme	To review how non-compliant systems are identified and the mechanisms in place to move these towards compliance.	Reported June 2020
Information Asset Registers	To provide assurance that the Council is aware of all data that it holds so that it can be managed and secured in line with legislation.	In progress
Information Governance Policy Reviews	To provide support to the business in the development of the new Information Governance Policies.	Continuous audit
ICT Projects	Time reserved to provide internal audit support for ICT related projects.	Deferred for consideration in 2020/21 due to COVID-19

Audit Area	Overview of Assurance	Status / CGAC Meeting
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.	Reported March 2020
Management of Major 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.	Reported November 2019
Key Financial Systems		
Benefits Reconciliations	A review of the reconciliation processes between Orchard, Academy and FMS for Housing Benefit and Council Tax Support.	Reported March 2020
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 2020
Council Tax	To gain assurance over the Council Tax processes for billing, income collection, recovery action, refunds and write offs.	Reported June 2020
Business Rates	To gain assurance over the business rates processes for billing, income collection, recovery action, refunds and write offs.	Reported January 2020
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 June 2020
Financial Management Central Controls	To provide assurance over the central budget setting and budget monitoring arrangements.	Reported November 2019
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.	Reported June 2020
Housing Rents	To gain assurance over the housing rents processes for charging, income collection, amendments and write offs.	Reported June 2020

Audit Area	Overview of Assurance	Status / CGAC Meeting
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 2020
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 June 2020
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 November 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.	In progress
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.	Reported November 2019
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 2020
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 January 2020
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 2020
Procurement		
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 a review of contract extensions and open book review where necessary.	Reported January 2020 and ongoing
Procurement Category Actions	To review the effectiveness of the Category Management process in supporting the delivery of strategic procurement objectives.	Incorporated within Waivers Follow Up

Audit Area	Overview of Assurance	Status / CGAC Meeting
Social Value	To review the arrangements in place to ensure that social value outcomes are appropriately considered and delivered through procurement.	Deferred for consideration in 2020/21 due to COVID-19
Waivers of Contract Procedure Rules (CPRs) 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 2019 meeting.	Reported June 2020
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	Reported November 2019
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.	In progress
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.	Reported November 2019
Directorate Risks - Adult Social Care and Health		
Customer Information System (CIS) Payments	To provide assurance that payments are only made in relation to people with an assessed need, have been correctly processed and are net of any client contribution. The review will also provide assurance on the adequacy of controls for identifying changes in circumstances. The review will cover all payments made through CIS for Residential and Nursing Care, Direct Payments and Homecare payments	Reported June 2020
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.	In progress
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.	In progress
Strength Based Approach to Adult Social Care	To provide assurance that there are controls in place to ensure the Council complies with legislative requirements.	Reported January 2020

Audit Area	Overview of Assurance	Status / CGAC Meeting
Short Break Service	To review the new process to ensure that service users are receiving the right tier of support, it has been properly authorised, providers have been paid and that the outcomes are managed / monitored.	In progress
Third Sector / Not for Profit Organisations	To review the arrangements in place to gain assurance that third sector / not for profit groups are delivering their agreed services and objectives.	Reported January 2020
Income Recovery	To provide support to the directorate's Income Recovery Project to gain assurance that all income due is identified and there are appropriate processes in place to ensure that it is billed and collected.	Attendance at Project Board
Unannounced Visits	Individual establishment visits to provide assurance on cash handing arrangements, including the safeguarding of service users monies.	Included in 2020/21 audit plan
Directorate Risks - Children and Families		
In-house Fostering, Special Guardianship and Leaving Care Follow Up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Reported March 2020
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.	Reported January 2020
Payments to Providers of Residential Care and Independent Fostering Agencies	To provide assurance over the efficiency and effectiveness of financial controls.	Reported November 2019
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.	In progress
School Attainment	To provide assurance that there are mechanisms in place to monitor school attainment for all children and that appropriate action is taken where issues are identified.	Deferred for consideration in 2020/21 due to COVID-19

Audit Area	Overview of Assurance	Status / CGAC Meeting
Funding for Inclusion	To provide assurance that the top up element of the funding is being correctly calculated in line with formal criteria and then appropriately remitted to the school	In progress
Personal Education Plans	To ensure that there are quality personal education plans in place that are clear and consistent, provide purposeful targets and are subject to regular review.	In progress
Budget Pressures	To gain assurance over the processes in place to manage the budget pressures within the directorate.	Attendance at Looked After Children's Payments and Placement Board
Programme of Unannounced Visits	Individual establishment visits to provide assurance on cash handling arrangements, including the safeguarding of service user monies	Deferred for consideration in 2020/21 due to COVID-19
Schools		
Schools Audits	Individual audits of LCC maintained schools undertaken on a risk basis and audits of year end school voluntary fund accounts.	Reported November 2019, January 2020, March 2020, June 2020
Primary School Follow Up	To review progress in implementing the recommendations made in a previous audit.	Deferred for consideration in 2020/21 due to COVID-19
Directorate Risks – Housing		
Housing Disrepair Follow-up	To review progress in implementing the recommendations made in the previous audit, reported to the Corporate Governance and Audit Committee at the November 2018 meeting.	Reported January 2020

Audit Area	Overview of Assurance	Status / CGAC Meeting
Leeds Building Services Information Governance (Records 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 2018 meeting.	Reported November 2019
Private Sector Regulation (Houses of Multiple Occupancy) 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 2019 meeting	Deferred for consideration in 2020/21 due to COVID-19
Fire Safety	To provide assurance over the controls in place to mitigate the risk of fire in Council properties.	Deferred for consideration in 2020/21 due to COVID-19
Lettings Enforcement follow-up and new system review	The review will follow up on the recommendations which remain outstanding since the September 2018 follow-up review. Additional work will also be undertaken on the implementation of the new system and the roll out of the revised lettings policy.	Adjustment to plan - Major Adaptions being brought forward (20/21) due to COVID 19 implications
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. To include gaining assurance that the recommendations made across previous audits are being tracked and implemented.	In progress
Universal Credit	This review assesses the arrangements that have been put in place to support tenants moving to Universal Credit	Reported January 2020
Gas Servicing	To provide assurance over the controls in place to mitigate the health and safety risks of gas fault incidents in Council properties, including the arrangements in place to ensure works identified through the gas servicing process are undertaken.	Reported January 2020
Estate Management	To provide assurance that there are adequate arrangements in place to manage estates to the required standard and that best practice is shared across areas.	Reported November 2019

Audit Area	Overview of Assurance	Status / CGAC Meeting
BITMO Assurance	To provide support to Housing Partnerships in the management of the BITMO Assurance Framework	Reported January 2020
Council Housing Growth	To review the procurement strategy and provide assurance over the achievement of intended outcomes.	Planned
Other Directorate Risks		
Delivery of the Medium Term Financial Strategy	Review of the arrangements in place to achieve the expected outcomes set out within the Medium Term Financial Strategy.	Incorporated within scope of relevant audit coverage
Partnership Risk Management	To review the central arrangements in place for managing risk with partners.	Deferred - for consideration in 21/22 plan
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.	Reported January 2020
Invest to Save – Benefits Realisation	To review how the benefits realisation process has been implemented for a sample of Invest to Save projects.	Reported November 2019
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
Application of HR Policies	To gain assurance that a sample of HR policies are consistently and properly applied across the authority.	Reported November 2019 and January 2020
Civic Enterprise Leeds – Income Collection	To provide assurance that all external income is identified and collected.	Reported November 2019

Audit Area	Overview of Assurance	Status / CGAC Meeting
LCC Vehicle Fleet Clean Air Zone Standards	Time set aside to support the directorate in ensuring that appropriate plans are in place to mitigate environmental risks relating to LCC's vehicle fleet.	Reported November 2019
Community Cohesion / Locality Working	To review the governance arrangements in place to identify and address the barriers to community cohesion in the city.	Deferred for consideration in 2020/21 due to COVID-19
Funding from the Communities and Environment directorate to the third sector	To review the arrangements in place to gain assurance that third sector / not for profit groups are delivering their agreed services and objectives.	In progress
Customer Satisfaction	A review of the processes that support continual improvement in respect of the customer experience.	Deferred for consideration in 2020/21 due to COVID-19
Strategic Investment Fund Acquisitions	To review the directorate's approach to, and governance of the Strategic Investment Fund. The audit will aim to provide assurance that there are appropriate controls over the acquisitions and management and that strategic investment fund plans are adequately scrutinised, approved and align with Council plans and wider best practice.	Deferred for consideration in 2020/21 due to COVID-19
Flood Alleviation Scheme	To review the operational readiness of the Flood Alleviation Scheme	In progress
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.	Reported January 2020
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.	In progress
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.	Reported March 2020
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 meeting.	Reported November 2019

Appendix B – Internal Audit Plan 2020/21 Priority 1

Audit Area	Overview of Assurance
Anti-Fraud and Corruption	
Whistleblowing Hotline and Reactive Work	Risk assessment and investigation of allegations and referrals.
Anti-Fraud and Corruption Proactive Work	Risk-based work to prevent and detect fraud.
Grants and Head of Audit Assurances	
Grants and Head of Audit Assurances	Independent examination of accounts and / or assurance that the grant claim has been spent in accordance with the grant determination.
Data Analytics	
Data Analytics	Evaluation of control effectiveness across key systems on a routine basis, highlighting and reviewing high risk events or transactions.
ICT and Information Governance	
Asset Management and Security	To provide assurance that there are appropriate controls in place to ensure assets are securely and effectively managed.
Privileged User Access Follow Up	To review the progress made in implementing the recommendations made in the 2019/20 audit.
Data Protection Impact Assessment	To provide assurance that there are appropriate controls in place to ensure that Data Protection Impact Assessments are completed where required.
ICT Projects	To review the arrangements in place for the management of ICT projects.
Key Financial Systems	
Key Financial Systems	To provide assurance that appropriate internal controls are in place and operating. (risk based)

Audit Area	Overview of Assurance
Procurement	
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 a review of contract extensions and open book review where necessary.
Social Value	To review the arrangements in place to ensure that social value outcomes are appropriately considered and delivered through procurement.
Directorate Risks - Adult Social Care and Health	
Customer Information System (CIS) Payments	To provide assurance that payments are only made in relation to people with an assessed need, have been correctly processed and are net of any client contribution. The review will also provide assurance on the adequacy of controls for identifying changes in circumstances. The review will cover all payments made through CIS for Residential and Nursing Care, Direct Payments and Homecare payments.
Financial Assessments	To provide assurance that all eligible customers in receipt of reviewable services have been financially assessed as appropriate, that assessments have been correctly calculated and that all income due has been collected.
Nursing and Residential Care Home Payments	To provide assurance that the revised processes for paying residential and nursing care providers are operating as intended.
Directorate Risks - Children and Families	
One Adoption West Yorkshire – Decision Making	To provide assurance that there are appropriate governance arrangements in place with regard to decision making for the organisation and that outcomes of the decisions are appropriately monitored and reported.
Special Educational Needs Out of Area Placements	To provide assurance that there are appropriate systems in place for assessing and approving the need for making out of area placements, ensuring that payments are accurate and that performance in relation to this is appropriately monitored.

Audit Area	Overview of Assurance
Directorate Risks - Housing	
Major Adaptations	To review the process in place to ensure major adaptations completed for both council and private houses are appropriate, completed to the required quality and timescale, and provide value for money.
Complaints Handling Process	A review of the processes in place for dealing with customer complaints, including ensuring root causes are identified and action taken on lessons learned.
Leaseholders	To review the process in place to manage leaseholder arrangements.
Private Sector Regulation – Selective Licensing	A review of the processes in place for ensuring that properties subject to selective licensing are licenced and inspected as appropriate.
Housing Disrepair	To assess the extent to which the Authority manages claims received in line with established best practice, ensuring that appropriate consideration has been given to the council's responsibilities in line with the Fitness for Human Habitation Act.
BITMO Assurances	To provide support to Housing Partnerships in the management of the BITMO Assurance Framework.
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.
Housing Leeds In-Year Follow Up Work and Contingency	To undertake follow up work as required during the year and respond to emerging risks within Housing Leeds.
Other Directorate Risks	
Application of HR Policies	To gain assurance that a sample of HR policies are consistently and properly applied across the authority.
Invest to Save – Benefits Realisation Follow Up	To review the progress made in implementing the recommendations made in the 2019/20 audit.
Medium Term Financial Strategy Assurances	To review and provide assurance on the work being undertaken to ensure strategic planning and prioritisation of the council's resources.

Audit Area	Overview of Assurance
Service Review Programme	Time set aside to contribute to the ongoing review of service delivery arrangements being undertaken through the Medium Term Financial Strategy.
High Value Stock Management	To review the processes in place to ensure the secure management of high value stock items. Directorates and services to be on a risk basis.
Waste Strategy	To gain assurance that governance arrangements are in place to support the implementation of the Waste Strategy.
Taxi Service	To gain assurance that licenses are issued correctly and complaints are investigated appropriately. This includes reviewing the Taxi Suitability Policy to ensure drivers licenses are approved in accordance with new criteria.
Leeds Cultural Trust	To provide assurance on the governance arrangements in place for the Leeds Cultural Trust.
Schools	
Schools Audits	Individual audits of LCC maintained schools undertaken on a risk basis and audits of year end school voluntary fund accounts.
School Follow Up Audits	To follow up on limited assurance opinions issued within 2019/20.

Report of Director of Resources and Housing

Report to Corporate Governance and Audit Committee

Date: 29th June 2020

Subject: Applications Portfolio Programme – Update on Access project

Are specific electoral wards affected?	☐ Yes ☒ No
If yes, name(s) of ward(s):	
Are there implications for equality and diversity and cohesion and integration?	☐ Yes ☒ No
Is the decision eligible for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information?	☐ Yes ☒ No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary of main issues

To provide Corporate Governance and Audit Committee an update on the progress made on eradicating Microsoft (MS) Access 2003 from the network to enable us to maintain our current PSN Compliance Certificate.

Recommendations

- 1.1 Corporate Governance and Audit Committee is asked to consider the contents of this report and support the actions therein.

1. Purpose of this report

- 1.1 To provide Corporate Governance and Audit Committee with an update on progress with the Access 2003 replacement project.

2. Background information

- 2.1 The Public Services Network (PSN) was set up as an assured route for information sharing by central government across public sector organisations. It provides a compliance regime to assure a good level of information security arrangements are in place. The Council has worked hard over the last number of years to achieve and maintain compliance as security risks evolve. On 20th August 2019 the Cabinet Office re-instated the Council's PSN certificate. The council network is now being actively monitored for vulnerabilities and patched appropriately.
- 2.2 MS Access 2003 is no longer supported by Microsoft and therefore could introduce a cyber security risk. The Council will move off 2003 by July 2020.
- 2.3 In addition MS Access 2010 will go out of support at the end of October 2020 and it may be a requirement of the PSN that this version will also have to be eradicated from the network for compliance in 2021.
- 2.4 MS Access is a tool that is heavily relied upon in services and underpins important business processes, for example in Finance, Children's and Highways.

3. Main issues

- 3.1 Members will recall the high level project plan milestones reported to the last meeting. Progress against these milestones is set out for ease of reference at Annex 1 to this report.
- 3.2 Since the last meeting work has focused on the following issues:

Conversions from MS Access 2003 to MS Access 2010

- 3.3 Excellent progress has been made in the last reporting period on uplifts to Access 2010, amidst issues posed by the current pandemic. There are currently 200 Access 2003 databases in the process of conversion to Access 2010 (see Annex 2 for a further breakdown of the latest statistics).
- 159 databases are now with business areas, to either clarify technical aspects or test/rollout their uplifted databases. Some of these databases may come back to DIS to complete further technical work on, if any tests fail or issues are found.
 - DIS have begun uplift work on the remaining 41 databases, meaning there are no databases in the 'new/not started' reporting column.

Adapting to issues related to the COVID-19 Pandemic.

- 3.4 Since the situation with the Covid-19 pandemic escalated in March 2020, the Access project has faced the following issues:

- Resources – Both the conversion work stream and main project team have been impacted by resource availability due to the pandemic. As a result, some of the uplift work was on hold until the team were able to replace resources. Additional resources have been identified internally within DIS, including members of staff from the applications teams.
- Some Highways teams experienced issues when initially working over VPN, which affected their use of some Highways databases, thus delaying plans for uplifts to 2010. These issues are now resolved and uplifts have been gradually rolling out to this service area.

3.5 Overall, the initial impact of COVID-19 has meant the project initially lost three weeks of productivity, whilst people adapted to new ways of working and we worked to overcome technical issues. The project team are still working towards the June 2020 deadline.

Getting the right skills and resources assigned onto the project.

3.6 As previously reported, due to the recruitment and retention issues the Council did not have the necessary skills and capacity to develop replacement systems.

3.7 Therefore, the following actions have now been taken:

- A second developer has been recruited to resume the delivery of several replacement databases and this work is now being picked up.
- The project team are still reviewing alternative options for long term resource requirements in relation to Access 2010 databases. Option being considered include use of internal resource and outsourcing all or parts of the work to external providers under the council's supplier framework.

Directorate engagement and support

3.8 As Members are aware, business engagement is crucial to ensuring the successful completion of the removal of Access 2003. As we now have additional resources to help with the rollout of uplifted databases, we can increase communication. It was agreed at the last Access project board that a message would be circulated to keep the momentum going and remind service areas that continued compliance is still a priority.

Stop creation of new MS Access 2003 or 2010 databases

3.9 Service areas are fully aware they are unable to create new databases and the project closely monitors this and report statistics on this at future meetings. Any new databases found by the scans of the network drives will continue to be deleted.

3.10 Members will note that no new databases have been created during this reporting period. The project team can confirm at the time of writing this report, that no new databases have been created since the end of January 2020.

Replacement of Access 2010 databases

3.11 The long term replacement work of the converted databases and MS Access 2010 is currently being scoped out and planned in. The project are currently working with the Cabinet Office to agree an appropriate project timeline for the replacement of Access

2010 and conversations are taking place to agree the timescales. Conversations with the Cabinet Office have been positive and they are supportive of our planned approach. Some of the tasks are already underway including the analysis planning and the assessment and categorisation of the 2010 data. This will enable us to scope out how many databases need replacing in phase 2 of the project. We will share the formal response from the Cabinet Office with the audit committee.

4. Corporate considerations

4.1. Consultation and engagement

- 4.1.1 Significant consultation and engagement has taken place with all service areas and continual challenge must be maintained.

4.2. Equality and diversity / cohesion and integration

- 4.2.1 There are no issues in relation to Equality and Diversity or Cohesion and Integration.

4.3. Council policies and best council plan

- 4.3.1 The Access replacement are part of the Council's wider compliance programmes for General Data Protection Regulations, Public Services Network Information Assurance, Payment Card Industry Data Security Standards and Data Security and Protection Toolkit.

4.4. Resources and value for money

- 4.4.1 Analysis by DIS shows that the essential requirements of many of the databases can be met by Council solutions such as SharePoint lists or corporate case management solutions. This means services accepting the corporate solutions offered and adapting business processes whilst having solutions that meet the primary requirement of the original database.

4.5 Legal implications, access to information, and call-in

- 4.5.1 Delegated authority sits with the Director of Resources and Housing and Senior Information Risk Owner and has been sub-delegated to the Chief Digital and Information Officer under the heading "Knowledge and information management" in the Director of Resources and Housing Sub-Delegation Scheme.
- 4.5.2 There are no restrictions on access to information contained in this report.

4.6 Risk management

4.6.1 Microsoft Access 2003 Risks

There is a risk the June 2020 deadline will not be met, compounded by issues caused in relation to the Covid-19 pandemic. Availability of business areas and

prioritisation of work in response to COVID means the rollout and completion of database tests has been slower than originally planned.

Mitigation: Additional resources have been added to the team to assist with uplifts and an early decision was taken by DIS to continue with this project as a priority, when work was being reviewed in the immediate reaction to the pandemic. The project was not placed on hold and issues have been immediately raised and responded to swiftly.

4.6.2 Microsoft Access 2010 Risks

Dependencies on service areas to work with the project in the timescales we need them to.

Mitigation: Services have been directed by CLT to prioritise this work, and other compliance work, over other work. This message will need to be reiterated once Access 2010 analysis begins and the project will pick up on this communication.

The risk of not getting the right technical resource recruited for this project.

Mitigation: All avenues to recruit the necessary skills and capabilities are being employed as per 3.7.

5. Conclusions

- 5.1 The Director of Resources and Housing and the Chief Digital and Information Officer continue to ensure this project is prioritised, this has been readdressed given the current situation and is still a priority project. CLT have been informed and are provided with regular updates, with escalation routes established. Risks are been managed, with remediation monitored by the Access Project Board.

6. Recommendations

- 6.1 Corporate Governance and Audit Committee is asked to consider the contents of this report and support the actions therein.

7. Background documents¹

N/A

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

ANNEX 1 – High Level Project Plan Milestones.

Tasks	Timescales		Comments
	From	To	
Categorisation of the different solution options for Access replacements. E.g. What are reporting solutions, what can be done by existing systems and so forth.	20.01.20	29.01.20	Complete
CLT stakeholder communication	14.01.20	17.01.20	Complete
Conversion from Access 2003 to Access 2010	31.10.19	30.06.20	See work remaining at Annex 1
Removal of Access 2003 runtime	01.05.18	30.06.20	
Access 2010			
The Solution Architect through review of each database is determining the target solution and as a result able to estimate the resourcing requirements to replace them within the available timeframe.	29.02.20	TBC	
Analysis of data sensitivity within the databases (e.g. personal and sensitive data) in order to determine the priority	24.02.20	TBC	
Continual scanning with focus on MS Access 2010	March 2020	July 2020	The inventorying will entail gathering a data inventory from across the network
Delivery of MS Access 2010 replacements depending on agreement with Cabinet Officer regards compliance requirements.	TBC	30.06.21	Delivery covers <u>all</u> remaining Access databases across the estate. Whilst dates are TBC, we're working closely with the Cabinet Office to plan and confirm these dates

ANNEX 2 MS Access conversion statistics per Directorate.

Note the increased number in the testing stage, we now have dedicated resource on the conversion team to assist with the engagement to work on getting them live as soon as possible.

DIRECTORATE	NEW	IN PROGRESS	WAITING ON BUSINESS	ON TEST	AWAITING GO LIVE
Adults & Health	0	1	0	0	0
Children & Families	0	0	1	0	0
Communities & Environment	0	2	1	21	2
City Development	0	8	13	70	0
Resources & Housing	0	28	0	51	0
West Yorkshire Joint Services	0	2	0	0	0
TOTAL	0	41	15	142	2

Key descriptions:

New (Not yet started) – Work has not begun on a database yet and is awaiting the developer to begin assessing and converting.

In progress – Work has begun on converting the database and the database is currently with the developer to complete.

Waiting on Business – This status is used for the project team developers to track whether we are awaiting answers from business areas about functionality of the database, whether it is still required (due to infrequent use) or discussing dates for hand over of the database with the up to date version of runtime.

On test – In user testing and awaiting feedback from user about whether database can be signed off as successfully converted or if errors have occurred and further development is needed.

Awaiting go-live – Access 2010 database is ready to go-live and Access 2003 database can be removed. Agreeing a swap over date with the business.

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Report author:
Kieron Dennett 07891277261



Report of Chief Officer – Financial Services

Report to Corporate Governance and Audit Committee

Date: 29th June 2020

Subject: Procurement Assurance Report – 2019/20

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

Summary of main issues

- This report provides information and assurance on procurement policies and practices within the remit of the Council's Procurement and Commercial Service (PACS).
- Each Directorate is accountable for the procurements that they need in order to secure the outcomes they are responsible for. PACS is accountable for provision of professional support to complex procurement activity. From the review, assessment and on-going monitoring carried out, the Chief Officer – Financial Services has reached the opinion that procurement policies and practices are up to date, fit for purpose, and effectively communicated.
- The Procurement Strategy 2019 to 2024 (**Procurement Strategy**) was adopted by Executive Board on the 26th June 2019 and identifies 5 key areas for procurement. It acknowledges value for money and good governance as the foundation stones of procurement, but also highlights the need to improve engagement with our suppliers and contract management, to be more commercial and to focus on social value.
- As a result of the Procurement Strategy, PACS has developed a Social Value guidance document for commissioners (endorsed by Scrutiny Board (Strategy and Resources) on 20th January 2020) which requires that in all procurements commissioners:

- consider social value opportunities in the 3 main priority areas of: Employment and Skills, the Environment, and Education;
- ask suppliers to consider for themselves what else they can do to be not just entrepreneurs but to be 'social entrepreneurs' in Leeds;
- for contracts valued above £50,000, apply a minimum 10% weighting in order to evaluate any Social Value commitments as part of the tender process.
- The Council has entered into a contract with the Social Value Portal (**SVP**) to allow reporting of social value commitments and performance against a series of Themes, Outcomes and Measures (**TOMs**) constructed on the principles of cost benefit analysis and "Social Return On Investment". The SVP will assist in managing the tender process, unlock social value in the supply chain (helping to set targets, manage performance and report progress), and provide live reporting (with interactive dashboards and displays).
- A Social Value Board (chaired by the Director of Resources and Housing) has been established with representation across all directorates, in order to consider and promote social value in all the Council's procurements, and provide an opportunity for sharing information and best practice on delivering social value.
- PACS has devised an anti-slavery and human trafficking questionnaire to be issued to suppliers with whom we spend more than £100,000 per annum. It requires information relating to their supply chains, their workforce awareness of modern slavery and their procedures for dealing with it. Contract managers will use the information to prompt consideration of this issue at review meetings.
- A refresh of the Council's procurement documentation and the Contract Procedure Rules (**CPRs**) was implemented from the 1st August 2019, further strengthening procurement controls. CPR training for Council staff continues, and an online interactive tool has been launched to help commissioners work through CPR processes.
- There have been no formal procurement challenges in the period to which this report relates.
- Expenditure with local suppliers and SME's equated to 64.64% of total expenditure in 2019/20 (up from 51.97% in the previous year).
- On-contract spend remains strong and there is general compliance with procurement policies. This is evidenced by the fact that on-contract and compliant expenditure stands at 95.6% for the 2019/20 financial year (a marginal reduction on 2019/20 numbers).
- The number of waivers of CPRs in 2019/20 was 79; down from 153 in the previous year.

Recommendations

Members are requested to consider and note:

- the assurances provided in this report from the review, assessment and on-going monitoring carried out; and
- the Chief Officer – Financial Services has reached the opinion that procurement policies and practices are up to date, fit for purpose, and effectively communicated.

1 Purpose of this report

- 1.1 This is the annual report of the Chief Officer – Financial Services to the committee, concerning the Council's procurement function.
- 1.2 Members are asked to consider the ongoing work to maintain effective procurement support tools and guidance, and note the assurance offered by the Chief Officer – Financial Services.

2 Background information

- 2.1 The Council procures a very wide range of goods, works and services, including front-line services and back-office support. The Council's spend with third parties through procurement and commissioned activity remains close to £800m per annum.
- 2.2 CPRs form part of the Council's Constitution and are required to be adopted by local government legislation. These are supported by a suite of procurement and guidance documents accessible by commissioners on InSite, including a new interactive tool to help commissioners work through CPR processes.
- 2.3 Each Directorate is accountable for the procurements that they need in order to secure the outcomes they are responsible for. The Chief Officer – Financial Services is accountable for the Council's procurement function, with day-to-day responsibility for delivery of procurements sitting with the Head of Commercial (head of service for PACS). PACS provides professional advice and support to complex procurement activity. Support provided by PACS includes procurement processes and compliance with procurement legislation, identifying and working with services to reduce off-contract spend, identify procurement savings, and provide general check and challenge.
- 2.4 The Procurement Strategy was adopted by Executive Board on the 26th June 2019 and identifies 5 key areas for procurement. It acknowledges value for money and good governance as the foundation stones of procurement, but also highlights the need to improve engagement with our suppliers and contract management, to be more commercial and to focus on social value.
- 2.5 The Procurement Strategy continues to promote a category management approach to procurement. It also advocates a whole lifecycle approach, defines clear roles and responsibilities, and provides a suite of documentation which can be tailored proportionately to the risks and value of procurement activity.
- 2.6 This report reflects procurement activity during 2019/20.

3 Procurement Strategy

- 3.1 Progress made since the adoption of the Procurement Strategy in June 2019 is highlighted below:
 - 3.1.1 Value for money and efficiency. The council consistently seeks to ensure it obtains maximum value from every pound spent through best value and innovative procurement practice; a consistent corporate approach to

commissioning; a clearly identified savings strategy and the continued implementation of a category management approach to procurement (see paragraphs 4.5 to 4.10, below).

- 3.1.2 Governance. Ensuring compliance with the Contract Procedure Rules, the Constitution and the Public Contracts Regulations 2015 in order to manage procurement risk and to comply with legal requirements. This includes matters relating to 'on-contract' expenditure and the use of waivers, and that the Council has received no formal procurement challenges in 2019/20 (see paragraphs 4.25 to 4.42, below).
- 3.1.3 Social Value. Seeking to improve economic, social and environmental wellbeing from our contracts over and above the delivery of the services directly required at no extra cost (see paragraphs 4.11 to 4.17, below).
- 3.1.4 Commercialisation. We are constantly looking at new ways to develop and create commercial opportunities through procurement and commissioning activities, not just by promoting revenue generation, but by looking at how we engage with, and influence, the marketplace and potential suppliers in order to drive innovation and develop new ideas around service delivery.
- 3.1.5 Strategic Suppliers. Effectively managing our strategic supplier relationships through continuous engagement with them and through effective management of all contracts from beginning to end in order to control costs, obtain the quality outcomes and performance levels set out in the contract and minimise the level of risk.

3.2 Progress in relation to the “procurement enablers” is as follows:

- 3.2.1 PACS are continuing to develop talent by supporting staff obtain professional qualifications and for apprenticeships. In the last year we supported 5 officers in undertaking CIPS (procurement practitioner qualification) and 1 apprenticeship;
- 3.2.2 PACS are working closely with DIS in developing Procure 2 Pay systems to allow the full implementation of electronic invoicing. In addition, we are working collaboratively with other local authorities in the Yorkshire and Humber region in procuring a new e-tendering system etc;
- 3.2.3 We are embracing innovation in our approach to procurements (such as the utilisation of bespoke dynamic purchasing systems for the White Rose Framework (services for looked after children);
- 3.2.4 embedding change in the organisation by ensuring that senior managers recognise the importance of procurement and contract management, and promote it as a way of leading and managing organisational change. As such, PACS senior officers regularly attend commissioning boards and leadership teams across directorates; and

- 3.2.5 a dashboard procurement report is currently being developed which will be presented quarterly to CLT and directorates to measure volume of procurement activity, and compliance with CPRs.

Contracts Procedure Rules

3.3 Section 135 of the Local Government Act 1972 requires local authorities to make standing orders for procurement activity, including securing competition and regulating tenders – the CPRs. The CPRs form part of the Council's Constitution

3.4 CPRs are regularly updated and strengthened to reflect changes in legislation and Council policy. They were previously updated in August 2019, with the major amendments as follows:

- CPR 1.3 and 27.2 - Before any decision to waive CPRs is taken by the relevant Chief Officer the Authorised Officer must seek advice from PACS on the financial, legal, risk and equality implications of the waiver sought (previous requirement was to notify following a decision);
- CPR 3.1.7 - A requirement to consider "Social value and Foundation Living wage", "Commercial opportunities and innovation" and "Strategic supplier engagement and contract management" under the Procurement Strategy throughout the life of the procurement;
- CPR 3.1.11 - Where any procurement contains, or is likely to contain, any ICT component the Authorised Officer shall consult the Digital and Information Service to ensure that appropriate skilled resource is engaged;
- CPR 7.1 – Following consultation with commissioners, and to tie in with the Government approach, the threshold for low value procurements was increased from £10K to £25K. This provides a more proportionate and agile procurement process for contracts up to £25k. In addition, it should be noted that the aggregate value of contracts below £25k for 2019/20 was £575k (c.0.06% of the total spend), therefore this change does not create a material additional risk and all procurements over £10K must still be registered on Yortender and Contracts Finder, once complete;
- CPR 11.7 – Guidance included at Appendix 2 of the CPRs in relation to Company Financial Health Checks and Profit Warnings. This guidance should be used if there are any financial concerns in relation to a potential contractor irrespective of contract value;
- CPR 15.2 – Amended to allow evaluation on 100% quality in limited circumstances (e.g. there is a set budget and the council is looking to obtain the best quality service available);
- CPR 18.8 – Requirement to advise commissioners within Directorates as to which organisation the contract has been awarded to in order to reduce off-contract spend;

- Definition of “Authorised Officer” expanded to include “relevant budget holders within Directorates”.
- Generally, the type of decision required to be taken – Key, Significant Operational or Administrative (or a combination covered by one report) – has been clarified.

3.5 A further review of CPRs is currently in progress with a view to them being adopted on the 1st August 2020.

Procurement tools and documents

3.6 The key procurement delivery documents and tools are refreshed regularly to reflect legislation and Council policy.

3.7 Of particular significance is PACS has undertaken a review and updated the entire suite of procurement documentation to ensure they are user friendly for commissioners, encourage bidder participation and focus on innovation and opportunities. In particular, the standard terms and conditions of contract have been given a complete overhaul to ensure they are up to date with current legislation, more commercial in outlook and easier to understand. Further, the Contract Management Plan, Assurance Guide and Tender Evaluation guidance have been updated to make them fit for purpose. All documents will be made available to partners in the region.

Communicating the Strategy and procurement policies

3.8 As well as providing online training and tutorials, each Category team within PACS works closely with commissioning staff within directorates to ensure compliance with CPRs and use of the correct documentation and governance processes.

3.9 In addition, the Procurement Strategy, updated documents and supporting tools are available on InSite, within toolkits dedicated to procurement and category management which are updated when any changes are made, and with key changes being further communicated on the InSite carousel. These documents include a new interactive tool to help commissioners work through CPR processes.

3.10 A cross-council Procurement Practitioner Group meets on a monthly basis to share issues and best practice, and training sessions are organised for procurement staff and commissioners when new significant policy changes (such as the New Procurement Strategy) are implemented. Introductory training is provided to new Members and commissioners.

3.11 PACS also hosts the Council-wide Commissioners’ Procurement Group, and has representatives on various commissioning boards and attending senior management team meetings in service areas across the Council.

4 Procurement activity during 2019/20

4.1 PACS’ resources are prioritised to supporting high value and/or complex (from a risk perspective) activity.

- 4.2 PACS also provides support in respect of lower value procurements by way of:
- 4.2.1 an e-learning procurement training module for council staff through the Performance and Learning system which gives guidance and training for staff council-wide to comply with policy, governance and CPRs when ordering goods and services;
 - 4.2.2 telephone support; and
 - 4.2.1 where non-standard terms and conditions are proposed, the requirement that these are vetted through the commercial team within PACS.

Regional Procurement

- 4.3 The regional procurement category work continues to develop, with PACS administering the regional strategic procurement group (**SPG**). The Council liaises with other regional authorities via SPG, which meets every six weeks to share best practice, act as the voice of the region on national procurement issues, and promote collaboration opportunities. The Council administers the SPG, and reports periodically to the Yorkshire and Humber Chief Executives Group. The Council feeds in to SPG representation on the LGA National Advisory Group for Procurement which provides leadership at a national level to local government procurement. The Council also sits on the Public Sector Procurement Working Group working with Cabinet Office on developing strategy.
- 4.4 In addition, PACS manages the regional online tendering portal, and is the Council's representative on the YORHub board (managing a number of regional construction and consultancy framework contracts).

Value for Money in Procurement

- 4.5 The £185,000 budget savings set for PACS in 2019/20 were achieved.
- 4.6 PACS has led roll-out of the Councils 'Faster Payment Service (**FPS**) whereby the Council receives a discount in exchange for payment earlier than standard terms.
- 4.7 Tender documentation highlights the FPS to potential contractors, and PACS has worked with DIS and held workshops for commissioners to explain and promote FPS (enabling commissioners to utilise supplier relationships to further promote it).
- 4.8 There has also been a significant amount of work from PACS to address barriers that prevent invoices being paid within 10 calendar days. This has involved working with directorates and challenging current processes to enable a faster turnaround on the invoice processing. This work is on-going especially within Children's and Families and Adults and Health. The PACS team have also worked with Central Payments and directorates, and now independently manages the whole invoice payment process.
- 4.9 The FPS team generated income of £123,525.61 during 2019/20 from 83 suppliers.
- 4.10 PACS have also been supporting the Business Support Centre in the implementation of the 'No Purchase Order, No Payment' policy. Whereby invoices

will not be paid unless they quote a valid order number. PACS have updated the terms and conditions within the tender documents to reflect this.

Social Value

- 4.11 Social Value from procurement is a key element of the Council's wider aspirations for inclusive growth in conjunction with local communities and businesses. Social Value outcomes are monitored by the Council around some key areas of activity, and the beneficial outcomes include the following:
 - 4.11.1 a key aspect of social value is improving opportunities for local companies and SMEs. Expenditure with local suppliers and SME's equated to 64.64% of total expenditure in 2019/20 (up from 51.97% in the previous year), with associated employment and skills outputs from procurement activity and planning agreements. Additionally the YORscep supply chain engagement programme will post opportunities on the YORhub website which will be open to all sub-contractors registered, in order to reduce onerous barriers such as lengthy pre-qualification processes, and improve visibility of projects. This in turn should result in even greater values of expenditure being spent locally, and quality opportunities becoming available to local businesses. Further, we plan to reach out directly to those local organisations that that we do not currently work with by using the Council's business data base to make them aware of tendering opportunities and offer assistance in registering on the Yortender procurement portal;
 - 4.11.2 employment and skills targets are assigned to contracts with a value of £500,000 or more and a duration of at least 12 months. As a result of this a total of 387 Leeds residents have been supported into new jobs and apprenticeships over the last 3 years (financial years 2017/18, 2018/19 and 2019/20), compared to 204 in the preceding 3 years period; and
 - 4.11.3 the Council has been working towards compliance with the principles of the Unison Ethical Care Charter in relation to externally commissioned services and has committed to working towards the Rowntree Foundation Living Wage by working with the Roundtree Foundation and trade unions to develop a roadmap for future accreditation as a living wage employer.
- 4.12 The Council has also developed a collaborative and systematic approach to engaging with anchor institutions. The Anchor Procurement Group meet every six weeks to discuss ways in which we can collaborate and actively promote collective action on employment, low pay and social responsibility. We are currently looking at ways we can contribute to an Anchor Meet the Buyer event and SME Guide to be developed by the Anchors Procurement Group.
- 4.13 PACS has developed Social Value guidance document for commissioners (endorsed by Scrutiny Board (Strategy and Resources) on 20th January 2020) which requires that in all procurements commissioners:
 - 4.13.1 consider social value opportunities in the 3 main priority areas of: Employment and Skills, the Environment, and Education;

- 4.13.2 ask suppliers to consider for themselves what else they can do to be not just entrepreneurs but to be 'social entrepreneurs' in Leeds;
- 4.13.3 for contracts valued above £50,000, apply a minimum 10% weighting in order to evaluate any Social Value commitments as part of the tender process (note that aggregate spend on contracts of that value would be c£650m – i.e. this would apply to contracts equating to c.73% of Council spend).
- 4.14 The Council has entered into a contract with SVP to aid in the implementation of Social Value into Procurement, to allow reporting of Social Value commitments and performance against a series of TOMs constructed on the principles of cost benefit analysis and "Social Return On Investment". PACS continues to work with SVP and commissioners to determine a Leeds-specific set of TOMs which will help achieve our social value priorities. The SVP will also provide a procurement platform that will assist in managing the tender process and unlock social value in the supply chain. The portal will provide an interactive solution designed to help set targets, manage performance and report progress. It will provide live reporting with interactive dashboards and displays, which include geospatial mapping of value by area. Data collected will also feed into an audit of social value achieved in Council contracts to be undertaken by colleagues in internal audit in 2020/21. SVP have provided 3 dedicated members of staff to provide training, stakeholder and contract management and portal support.
- 4.15 A Social Value Board (chaired by the Director of Resources and Housing) has been established with representation across all directorates. The first meeting of which took place on the 21st February 2020. The purpose of the Board is to consider and promote the inclusion of social value in all the Council's procurements and provides an opportunity for sharing information and best practice on delivering social value.
- 4.16 The Council's delivery of additional social value from procurement will also be the subject of review by internal audit for the year 2020/21.

Modern Slavery Act 2015

- 4.17 In 2019 the Council published a Modern Slavery Statement which sets out what it will do tackle Modern Slavery in its supply chain:
- "We are in the process of creating a questionnaire that will be distributed to a selection of our suppliers, in order to prompt further consideration of their own supply chains, their workforce awareness of modern slavery and their procedures for dealing with it"
- 4.18 As a result PACS has devised the questionnaire attached at Annex 2 which will be issued to suppliers with whom we spend more than £100,000 per annum, in order to prompt further consideration of their own supply chains, their workforce's awareness of modern slavery and their procedures for dealing with it. Contract Managers within service Directorates will use the information provided to prompt a discussion with our contractors regarding this issue, as modern slavery should be on the agenda of every contract review meeting. As such, we have developed guidance for contract managers to support their review of questionnaire responses which is set out at Annex 3.

- 4.19 Compliance by supplier's with their anti-slavery obligations will be picked up as part of the internal audit of social value aspects of procurement (see paragraph 4.16).

Contractor Insolvency and Profit Warnings

- 4.20 The collapse of a number of high profile construction/facilities management companies in the UK in recent years has served to re-inforce the importance of good contracts and contract management practices, but also the need for robust procurement on behalf of the Council, as good procurement will ultimately lead to good contracts. To address this issue, PACS have produced a guidance and policy document for commissioners and contract managers within the Council relating to company financial health checks and profit warnings. The document highlights actions that can be undertaken prior to entering into a contract as well as during the contract period in order to provide reasonable mitigations against the risk of contractor insolvency. The document was launched at the same time as the New Procurement Strategy, updated CPRs and procurement documentation and is referenced as Appendix 2 to the updated CPRs. The guidance document was reviewed by Internal Audit in September 2019 as part of a wider 'Central Control of Due Diligence Arrangements' report, with only a few minor recommended changes (which have subsequently been actioned).

YORtender procurement portal and data transparency

- 4.21 The Council (along with other Yorkshire and Humber regional authorities) has used YORtender as its procurement portal for the last 6 years, enabling electronic tendering for the vast majority of procured spend. The Council is responsible for the regional contract management for YORtender which, along with the on-going SPG programme management, generates £74,000 per annum of external income.
- 4.22 PACS provide YORtender training and support across the Council with on-site training sessions, phone/email conversations and an on-line interactive tutorial.
- 4.23 YORtender also provides collaboration successes with other authorities in the region such as the White Rose Looked After Children framework.
- 4.24 CPRs require all spend over £10k to be registered through YORtender. Under the Government's Transparency Code local authorities must publish details (including a unique reference, a description of the goods/services/works and dates for review) of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. This requirement is complied with through publication through the YORtender portal for spend of over £10,000 and by manual analysis of any spend exceeding £5,000 within FMS.
- 4.25 Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. The Council's Contracts Register published on Data Mill North fulfils this requirement along with a separate report for items below the threshold for publication on YORtender which also covers non and off-contract spend items.

- 4.26 The Council, in its role as SPG programme manager, is working closely (on behalf of SPG) with Sheffield City Council who are leading on the joint procurement of a new and updated e-tendering system for the region. The new system will replace YORtender when it expires on 31st December 2020.

Monitoring Contracts Procedure Rules and Waivers

- 4.27 CPRs require Chief Officers to involve and/or consult with PACS for specified procurement activity, and also requires PACS to be informed of the following activity: waivers, extensions, variations of high value contracts, where the template procurement plan or contract management plan is not to be used, breaches of CPRs and where ISPs (internal service providers) are not used. Members should note that aside from monitoring of non and off contract spend and waiver activity, current resources do not permit additional significant monitoring of compliance with CPRs, however the contract award process for contracts above £100,000, internal audit reports and the ongoing training and support provided to directorates (see above) offer further assurance around compliance.
- 4.28 CPRs allow certain rules to be waived in circumstances where relevant Chief Officers consider a course of action to be justified, provided that PACS is consulted before waivers are approved by Chief Officers, and that such waiver decisions are published as Significant Operational Decisions. However, issues relating to the inappropriate use of waivers of CPRs have been the subject of scrutiny over many years.
- 4.29 PACS officers have put in place a robust, automated process for capturing waiver information from the decision register, which allows officer resource to concentrate on seeking to understand the detail of each particular waiver, rather than finding and logging the information. This has improved the accuracy of the register of waivers.
- 4.30 PACS have also been focusing on ensuring that PACS is consulted prior to decisions being formally taken to waive CPRs, in addition to ensuring decisions are made prior to the contract start date. Despite the requirement only being implemented in CPRs part-way through the year, prior consultation with PACS took place in respect of 46% waiver decisions in 2019/20 (in comparison to being consulted in 18% of published decisions in 2018/19).
- 4.31 Recent analysis, utilising the more effective search tools referred to above, has identified 79 waivers of CPRs in 2019/20. This is a decrease from 153 waivers of CPRs published in 2018/19, which is the baseline measure for the waiver KPI in the Procurement Strategy. Of these 79 waivers, only 4 were correctly recorded as being related to timing and resource issues (i.e. there was insufficient time to procure the contract in accordance with CPRs). This indicates that the majority of waiver decisions in the current year have either been raised in line with CPR requirements or (in some circumstances) were not necessary (e.g. where contract value is up to £25,000, a direct award is permissible without the need to waive CPRs). Aggregate spend in 2019/20 against contracts which were the subject of waivers of CPRs was £16,526,211, being 2.33% of the total spend with third parties through procurement and commissioned activity.

- 4.32 A recent internal audit report in relation to waivers of CPRs identified that there are “good” processes and compliance in ensuring PACS is aware of all waivers undertaken, though it recommended as a high priority that further training on CPRs be provided. In terms of taking due consideration of the legal and policy framework when taking decisions to waive CPRs, the report found the control environment to be “good” and the compliance to be “acceptable”. In terms of the latter point, the report again identified the need to provide further training to increase compliance. Finally, the report identified a “good” control environment in place for reviewing and analysing waivers to learn lessons and feed back into the waiver process.
- 4.33 The evidence therefore suggests that the CPR waiver regime is (for the most part) being utilised in an appropriate fashion. However, it is recognised that there is still room for improvement in respect of the waiver process – for example, with regard to record keeping, consultation with PACS before taking a decision to waive CPRs, clarity of rationale behind a waiver and officer understanding of the waiver process. In respect of trying to improve officer understanding of how waivers of CPRs should properly be utilised, information on InSite has been reviewed and amended to make the process of waivers easier to follow and clearer to understand, and a flow chart of the process has also been published. In addition, a single format of contract register linked to the YORtender system has been adopted which includes clear dates in relation to contract expiry and a series of early warnings as to key procurement and decision making dates.
- 4.34 PACS has launched an interactive version of the council’s CPRs which is available on SharePoint. This resource has been developed to take colleagues through the key steps of a procurement. Telephone support is also currently available through PACS for this process. This has been rolled out to over 150 people within the Council.
- 4.35 Further training will continue to strengthen current procedures and allow a greater level of check and challenge, giving PACS the opportunity to provide advice and have visibility of the proposed waiver before the relevant decision is made. It also allows PACS to obtain greater detail in the reporting information gathered and the reason for the waiver being raised should be easier to identify.
- 4.36 Monitoring of the use of waivers will continue, and will be reported to the Corporate Governance and Audit Committee and to R&H Scrutiny Board. Internal Audit also carry out audit activity on a small number of specific procurements each year.

On/off contract spend

- 4.37 PACS continues to monitor off contract spend through FMS, actively collaborating with colleagues in the wider Council including the Business Support Centre, Corporate Finance and directorates (via their feeder systems) in order to have visibility of non and off-contract spend.
- 4.38 PACS produces monthly and quarterly reports detailing non and off-contract spend. These reports are used to inform monthly meetings with PACS Category Managers and their meetings with directorate contacts. The activity has enabled off contract spend to remain at minimum levels compared to total spend this financial year.

- 4.39 In 2019/20 is 95.6% of payments were on contract or compliant with CPR's. This is marginally lower than the 2018/19 figure of 96.6%. This decrease likely reflects a strengthened and more rigorous CPR compliance regime, where we have improved monitoring and further tightened compliance standards, direct decisions and in other areas. Compliance with CPRs has likely in fact increased.
- 4.40 PACS officers have continued to deliver compliance training to all directorates, with a particular focus on how to remain compliant when using FMS and P-Cards and promoting a holistic approach to lower value procurements so that services are considering their overall needs. These sessions have been delivered to large groups, individuals and have involved Heads of Service. PACS officers also provide post-training support with reports, monitoring and assistance with YORtender. More than 500 staff have been trained with some services having attending multiple sessions. Guidance documents have been created and published to Insite, the compliance section of FMS has been updated to facilitate ease of use and the team provides advice and support by telephone and email on a daily basis. The team has also rolled out remote training as a strategy to continue to provide training support during COVID-19.
- 4.41 PACS staff have undertaken an exercise to classify suppliers within FMS to easily identify whether they are Local or SME's. To date staff have manually classified more than 15,000 suppliers and entered this information into FMS. This has provided us with the ability to report more clearly on expenditure with SME and local suppliers and regularly report on trends in this area.
- 4.42 Contract expenditure analysis continues to be distributed at directorate and service level so that expenditure by directorates with suppliers who do not hold a valid contract is visible and action can be identified and undertaken. This report gives an overview to Directorates whether expenditure is compliant with CPR's. Collaboration with Directorates using the report has been successful toward eliminating non-compliance and ensuring best value is achieved from Council expenditure. Bespoke reporting is available upon request and utilised as a mechanism to assist services in improving their understanding of and compliance with CPRs.
- 4.43 PACS staff have been continuing to be actively focused on the orders raised for low value items (under £5,000). PACS have been challenging expenditure where there is a known contract with a supplier that has not been used and also where CPR's have not been visibly followed, following this up with advice and guidance on the correct process to follow. This has significantly reduced the number of orders that are raised incorrectly.

Challenges to procurement activity

- 4.44 There have been a number of requests for additional information in response to standstill letters however none of those requests have developed into formal proceedings challenging decisions by the Council on award of contracts.

Brexit

- 4.45 This is being kept under review. The proposed new procurement regulations are, for the most part, the same as the existing rules (with appropriate amendments to take account of practical changes like utilising a UK-based online portal, rather than the EU tendering portal).

FOI requests

- 4.46 PACS receives and responds to a significant number of FOI requests, with 51 received in 2019/20. Many of the requests relate to information already available and published on Leeds Data Mill, and applicants are commonly instructed on how to access Leeds Data Mill.

5 Corporate Considerations

Consultation and Engagement

- 5.1 Review of the Social Value Guidance document commenced with consultation with the category managers within PACS, the corporate commissioning group, the people's commissioning group and the public health board. A draft of the Social Value Guidance document was taken to the January 2020 R&H Scrutiny Board for it to be endorsed prior to its adoption. The approach to developing Council specific social value TOMs includes consultation with the Social Value Board and commissioners across the Council.
- 5.2 Review of the Anti-Slavery and Human Trafficking Questionnaire was developed in consultation with the Safeguarding and Domestic Violence Team and consultation has taken place with Category Managers within PACS and Commissioning Officers within Directorates. Further, CLT support the proposed course of action re issuing the questionnaire and for contract managers to own it.
- 5.3 Reviews of procurement documentation also involve consultation with users in the services, and input from external legal advisors (Weightmans). The annual CPR review involves wider consultation involving commissioners, Internal Audit and Corporate Governance. Third sector representatives are periodically asked whether any barriers exist to small/third sector organisations, and any comments are fed into the document reviews. Third sector representatives and the People's Commissioning Strategic Group have also been consulted in respect of the Social Value guidance document.

Equality and Diversity / Cohesion and Integration

- 5.4 There are no implications for this report. The procurement processes require consideration of equality matters and social value within procurement activity.

Council policies and Best Council Plan

- 5.5 Effective procurement activity supports the Council's ambitions of a strong economy and a compassionate city, and the Procurement Strategy is specifically drafted in response to the Best Council Plan. Individual procurements support most/all of the Council's priorities and breakthrough projects.

Resources and value for money

- 5.6 The systems and processes anticipated by the Procurement Strategy (and the documented KPIs) represent an appropriate use of resources and are good value for money. Additionally the procurement activity supported enables both cashable and non-cashable savings to be made in the commissioning lifecycle.

Legal Implications, Access to Information and Call In

- 5.7 The arrangements put in place through the Procurement Strategy, CPRs and procurement tools and documentation meet all legal requirements.
- 5.8 This report is not eligible for call-in.

Risk Management

- 5.9 The systems and processes that form part of the Council's procurement framework are currently functioning well. One of the Resources and Housing Directorate risks relates to risk of procurement challenge. As set out above there have been no formal challenges to procurement activity in the year to date, and work is continually undertaken to ensure the tender evaluation guidance is embedded through training and monitoring.
- 5.10 Covid-19: The onset of the Covid-19 has had a major impact on the implementation of the Procurement Strategy, and presents material risks to achieving procurement related KPIs in 2020/21. For example:
- (i) The impact on the Council's financial position in 2020/21, and the actions recently reported to Executive Board, has resulted in a request to review the Procurement Strategy to see whether the commissioning of contracts can be stopped or slipped into future years. If a contract does need to be re-procured then the specification will be reviewed to see whether the adoption of a lower specification is possible and therefore realise possible savings through reduced contract prices etc. In addition, the proposed service review means that it would be unadvisable to enter into long-term new/extended contracts. To this end PACS have asked Directorates to follow the principles set out in Annex 1 in respect of procurements in 2020/21.
 - (ii) It is anticipated that putting in place short term emergency arrangements in response to the financial pressures arising as a consequence of Covid-19 and the subsequent service review will result in a greater volume of waivers in the current year.
 - (iii) Responding to the Covid-19 emergency has resulted in urgent contracts needing to be put in place, and a diversion from cost saving/income generation measures that PACS originally planned to pursue in the first quarter of 2020/21.
 - (iv) Workshops organised to assist commissioners in embedding the Social Value Guidance document have had to be postponed due to the requirement to work from home where possible due to the social distancing measures. We are currently looking at other ways we can support commissioners in embedding the guide. In addition, with the number of procurements

potentially reducing significantly over this financial year, it is anticipated that the total amount of Social Value outcomes achieved will also reduce. However, Social Value will still be a major consideration in all procurements that do proceed in line with the Social Value guidance for commissioners.

- (v) The FPS team has been re-assigned to support BSC with the new method of processing invoices from home as a consequence of Covid-19. Naturally, this pause in the FPS (having now been on hold for 3 months) will impact on the level of savings achievable this year.
- (vi) the Council has been working towards compliance with the principles of the Unison Ethical Care Charter in relation to externally commissioned services and has committed to working towards the Rowntree Foundation Living Wage by working with the Roundtree Foundation and trade unions to develop a roadmap for future accreditation as a living wage employer. However, this work is also now on hold due to the Covid-19 pandemic.

6 Conclusions

6.1 From the review, assessment and ongoing monitoring carried out, the Chief Officer – Financial Services considers that it is demonstrated that, overall, procurement systems are operating effectively and that there are no fundamental control weaknesses. This position will be improved by continuing to implement the Procurement Strategy, updating CPRs/procurement documentation and measuring/monitoring compliance via the KPIs. At the same time, it is recognised that procurement assurance needs to be subject to regular review and assessment with the following actions already identified for 2020/21:

- Implementation of the SVP and review of procurement documentation;
- Review of CPR's in line with changes in legislation and Council policy; and
- Training of relevant officers in respect of the same.

Compliance remains an issue in some areas, notably around justification in reports considering waivers, and this will be a particularly challenge in the current year as a consequence of the adverse impact of Covid-19. However, the continued robust monitoring of CPRs and non/off contract spend are anticipated to be of benefit in this regard and will continue to provide a much clearer picture of the actual number of, and justifications for, waivers of CPRs.

7 Recommendations

7.1 Members are requested to consider and note:

- 7.1.1 the assurances provided in this report from the review, assessment and on-going monitoring carried out; and
- 7.1.2 the Chief Officer – Financial Services has reached the opinion that procurement policies and practices are up to date, fit for purpose, and effectively communicated.

8 Background documents¹

8.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Annex 1

Procurement Strategy Review:

The position agreed by CLT states that there shall be the “Implementation of an immediate freeze on non-essential spend with the exception of spend needed to keep a service running” and includes specific reference to the need to review the current procurement strategy “to see whether the commissioning of contracts can be stopped, slipped into future years or re-specified at a lower value to achieve savings”.

While an initial review of the current procurement calendar has already begun, in light of the actions agreed by CLT, the review will now proceed in accordance with the following principles:

1. In all circumstances, category managers and commissioners shall review the procurement calendar for year 2020/21 to consider whether a procurement may be re-scheduled (i.e. postponed) or stopped indefinitely with a view to reducing Council spend.
2. In all circumstances, any procurements/awards/extensions/variations that are permitted to go ahead in year 2020/21:
 - a. shall be developed at the minimum cost possible to meet the specific requirement, which shall include reviewing the contract terms/specification in order to realise possible savings;
 - b. shall be kept to the shortest term practicable. By way of guidance, a contract award or extension in year 2020/21 should not exceed 12 months save in exceptional circumstances; and
 - c. shall be the subject of prior consultation with the relevant category manager, head of finance and chief officer, with such consultation and any comments received being referenced in any decision report.

Options for identifying specific savings within services are currently being considered. Any specific savings requirements that are agreed by CLT/Members as a consequence of these service reviews in due course will apply to procurements.

Annex 2

Anti-Slavery & Human Trafficking Questionnaire

The council used 10,743 external suppliers in the 2019/20 financial year, spending £10m+ on 16 suppliers. Given this large and varied supply chain, the council considers it is extremely important to take steps in the procurement process to try to eliminate the risk of modern slavery in its supply chains. As such, this questionnaire has been produced in order to prompt further consideration by you of modern slavery in the context of your own business, supply chains, and workforce, and to ensure appropriate procedures are in place for combating it.

Company Number:

Company Name and address:

Your Name:

Position in the company:

Phone number:

Email address:

Q1. Are you a relevant commercial organisation as defined by section 54 ("Transparency in supply chains etc.") of the [Modern Slavery Act 2015 \("the Act"\)](#)?

☐ Yes (Go to Q2)

☐ No (Go to Q3)

Q2. If you have answered "yes" to Q1, are you compliant with the annual reporting requirements contained within section 54 of the Act 2015?

☐ Yes (Please provide evidence)

☐ No (Please advise why you are not compliant)

Q3. Do you have your own Anti-Slavery and Human Trafficking Policy?

☐ Yes (Please provide a copy)

☐ No (Please advise why you do not have such a policy)

Q4. Please confirm that you are complying with Clause D9.1, D9.2, D9.3 (b), D9.4, D9.5 and D9.7 of the contract terms and conditions – D9 Compliance with Anti-Slavery and Human Trafficking Laws and Policies ☐ Yes ☐ No (Please advise why you are not compliant)
Q5 - In the event that non-compliance by your suppliers is discovered, do you have a programme to remediate such infractions? ☐ Yes (Please provide details) ☐ No (Please advise why no such programme is in place)
Q6 - Have your management employees, particularly those in charge of supply chain management, been trained to understand what slavery and human trafficking are and how to mitigate the risk of them in their respective supply chains? ☐ Yes (Please provide details of the training provided) ☐ No (Please advise why no such training is in place)
By signing below you warrant that you have authority to sign this questionnaire on behalf of your organisation. In addition, you confirm that your organisation agrees with the principles set out in Leeds City Council's Modern Slavery Statement and Strategy, and confirm that all information provided is true and accurate to the best of your knowledge and belief.
Signed: Name: Date:

Annex 3

Modern Slavery Questionnaire - Guidance For Contract Managers

If “yes” answers are provided, together with supporting evidence, this is an indicator of an organisation that understands its obligations regarding Anti-slavery and Human Trafficking and is compliant with them. However, it is advisable to undertake occasional audits of the information provided by contractors to ensure they are continuing to do what they have said they are doing etc. Your Departmental Safeguarding Lead should be able to support in this regard, and further advice and support is available from Procurement and Commercial Services.

If any “no” answers are given, or “yes” answers are provided that are not supported by evidence, this is an indicator that an organisation may not fully understand or be compliant with its obligations regarding Anti-slavery and Human Trafficking. You must seek further guidance and support from your Departmental Safeguarding Lead and Procurement and Commercial Services, and:

- a) in respect of contractors, any concerns must be raised at **contract management meetings** in which you should try to agree and set out a plan, with agreed milestones, which shows how the contractor intends to move towards being able to provide a satisfactory response to the questionnaire; and
- b) in respect of tenders, the inadequate questionnaire issues should be raised with the Authorised Officer and due caution should be taken before deciding to award the contract to the tenderer.

The links below contain further useful information:

<https://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide>

<https://www.unseenuk.org/modern-slavery/modern-slavery>

Report of City Solicitor

Report to Corporate Governance and Audit Committee

Date: 29th June 2020

Subject: Annual Decision Making Assurance Report.

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes ☒ No
Has consultation been carried out?	☐ Yes ☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes ☒ No
Will the decision be open for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes ☒ No

Summary

1. Main issues

- This is the annual report to the Committee concerning the Council's decision making arrangements and provides assurances that the Council's arrangements are up to date, fit for purpose, effectively communicated and routinely complied with.
- The assurances contained within this report will feature in the Annual Governance Statement when reported to the Committee for approval.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- The arrangements set out in this report support the Council's values.

3. Resource Implications

- The systems and processes in place to meet the requirements of the decision making framework do so from within existing resources.

Recommendations

Members are requested to:

- consider and note the positive assurances provided in this report given by the Head of Democratic Services;
- comment on the proposal that the target for inclusion of key decisions in the List of Forthcoming Key Decisions should be increased to 95%.

1. Purpose of this report

- 1.1 This is the annual report to the Committee concerning the Council's decision making arrangements.
- 1.2 The report provides one of the sources of assurance which the Committee is able to take into account when considering the approval of the Annual Governance Statement.
- 1.3 In giving their assurance statement in respect of the Council's decision making arrangements, this report considers four aspects. This report sets out evidence to confirm the positive assurances given that decision making arrangements are:-
 - up to date,
 - fit for purpose,
 - effectively communicated; and
 - embedded and routinely complied with.

2. Background information

- 2.1 The Council's decision making framework, which is detailed within the Council's Constitution, includes the systems and processes through which decision making is directed and controlled. Whilst a number of these systems and processes are put in place in direct response to primary and secondary legislation, others reflect the implementation of locally adopted definitions and choices made to ensure maximum transparency and accountability within Council practice and procedure.
- 2.2 The last annual assurance report in relation to the Council's decision making arrangements was presented to Committee in June 2019 and related to the reporting period from April 2018-March 2019. The report included information in relation to executive decision making; planning; licensing and the regulation of investigatory powers (RIPA). This report relates to executive decision making arrangements over the period from April 2019 to March 2020.
- 2.3 Arrangements in relation to licensing have been reported through the Annual Licensing Report to Licensing Committee and to Full Council. Arrangements in relation to planning will be reported to this Committee at a later meeting. Arrangements in relation to RIPA are now incorporated within regular and annual reports received by this Committee in relation to internal audit.

3. Main issues

Up to Date and Fit for Purpose

Review of Constitution

- 3.1 Article 15 requires that the Monitoring Officer monitors and reviews operation of the Constitution to ensure that its aims and principles are given full effect.

- 3.2 Each year the Monitoring Officer conducts a review of the Constitution in order to identify any necessary changes. Changes made to give effect to changes in legislation, or decisions of council or the executive, or changes made for clarification only, are made by the Monitoring Officer under her delegated authority. Other changes are approved by full Council on the recommendation of General Purposes Committee, or by the Leader when setting her executive arrangements.
- 3.3 In addition, the Monitoring Officer makes arrangements for such changes that are necessary to ensure that the Constitution is maintained up to date and fit for purpose throughout the Municipal Year. In the 2019/20 Municipal year 28 minor amendments have been made to the Constitution. In addition to minor amendments to reflect title changes, these have included:
- Clarification that the Constitution is to be read, construed and applied in accordance with legislation in force;
 - Amendment to the Officer Delegation Scheme (Council Functions) giving authority in respect of preliminary stages to make, amend and review byelaws;
 - Amendment to Executive and Decision Making Procedure Rules providing clarification regarding acceptance of digital signatures for call in;
 - Three changes to the Contracts Procedure Rules following review and clarification; and
 - Three amendments to the members allowances scheme (giving effect to recommendations of the Independent Remuneration Panel, reflecting a change in the title of the Climate Emergency Advisory Committee, and giving effect to the annual uplift)

Effectively Communicated and Embedded

Changes to Decision Making Thresholds

- 3.4 The Committee will recall that through the Annual Council Meeting in May 2019, changes were approved to the decision making thresholds set out in Article 13 of the Constitution ensuring that arrangements remain up to date and fit for purpose.
- 3.5 In accordance with the communication plan described in the last annual assurance report, a number of approaches were taken to publicise and communicate the changes including:-
- Attendance at each directorate leadership team to brief on the changes;
 - Delivery of eleven face to face briefing sessions prior to the new thresholds taking effect, and monthly sessions thereafter. These sessions set out the political and structural context of the council's governance arrangements; detailed the decision making, procurement, capital and revenue thresholds; and set out the relevant controls in place in relation to executive decision making. Registers show that a total of 264 colleagues across all directorates attended these sessions. Feedback received from one attendee said

I somewhat enjoyed (in a strange way) the Council Structures and Decision Making course this morning and it has given me a better insight in how and why things are done the way they are. It has also given me a greater appreciation for the actual work the Councillors do for the constituents they represent and what they can bring to the schemes I work on and City of Leeds.;

- The decision making toolkit, available to officers on Insite, provides easy access to relevant templates and up to date information and guidance;
- A news item was included in Essentials (digital messaging circulated to all officers) on 27th June, and a tile included on the Insite homepage for a two week period – both linking to the toolkit and to the infographic setting out the change on a page;
- A new guide for officers has been developed titled How to Take a Decision. The guide sets out an explanation of the thresholds and controls relating to executive decision making; with examples of how they should be applied in practice and details of the forms and templates to be used at each stage. Feedback on the guide has been excellent including comments such as:-

“this is exactly the kind of thing any member of staff should be able to see and it clearly has them in mind”

3.6 The corporate templates for preparation of reports and publication of information have each been updated to ensure each supplies the information necessary to support the governance objectives listed above.

- The Committee will recall that the Request to Add a Key Decision to the List of Forthcoming Key Decisions has been updated to be clearer as to the ward, procurement and financial implications.
- The Corporate Report Template, and associated guidance were updated to ensure that reports are clear as to the financial and procurement implications of operational decisions, whilst also setting out implications for the climate emergency the contribution of each decision to the Best Council Plan.
- The Delegated Decision Notice (DDN) enables officers to capture reasons for late publication of reports should this be necessary under the new procedures introduced via amendments to the Executive and Decision Making Procedure Rules in November 2018.

3.7 There are a range of officers who are able to offer advice and guidance in relation to decision making governance; and to ensure that our decision making arrangements are fully embedded and result in decisions which comply with statutory requirements and are both transparent and robust.

3.8 Directorate support managers act as gate-keeper for governance arrangements in directorates and are able to:

- provide advice and guidance in relation to practice and procedure for officer decision making both corporately and within directorates;
- arrange for the publication of relevant notices and documents in line with statutory and Constitutional requirement;
- maintain the directorate record of administrative officer decisions;
- liaise with staff in Democratic Services in relation to Committee agendas, reports and minutes;
- provide check and challenge in relation to the use of corporate templates and sufficiency of information.

- 3.9 Colleagues with expertise from legal, finance and procurement and commercial services provide a further network of support and are able to:
- give advice and guidance; and
 - provide timely check and challenge
- in relation to matters within their remit.
- 3.10 It is recognised that the value to be added to the governance of decision making through the provision of advice is dependent on report authors engaging with these professionals in a timely manner.
- 3.11 Work is ongoing to develop use of the functionality of the council's publication app Modern.gov to arrange for writing, checking and publication of decisions in one end to end process. This will enhance and support oversight and guidance in relation to decision making by relevant professionals and governance staff.
- 3.12 In order to best benefit from the expertise available, work is ongoing to develop a culture in which advice is sought early, with decision makers engaging during the development of ideas to ensure opportunities are not missed (e.g. in relation to consultation; equalities, climate emergency) as well as being incorporated into the routine sign off of reports for Committee or officer decision making.

Routinely Complied With

Performance Monitoring

- 3.13 The Head of Democratic Services carries out regular performance monitoring to ensure that decision making arrangements are embedded and routinely complied with. A dashboard of information is collated and regularly shared with each Directorate. This assists in identifying trends in decision making, and supports consideration of the way in which the decision making framework is applied across directorates.

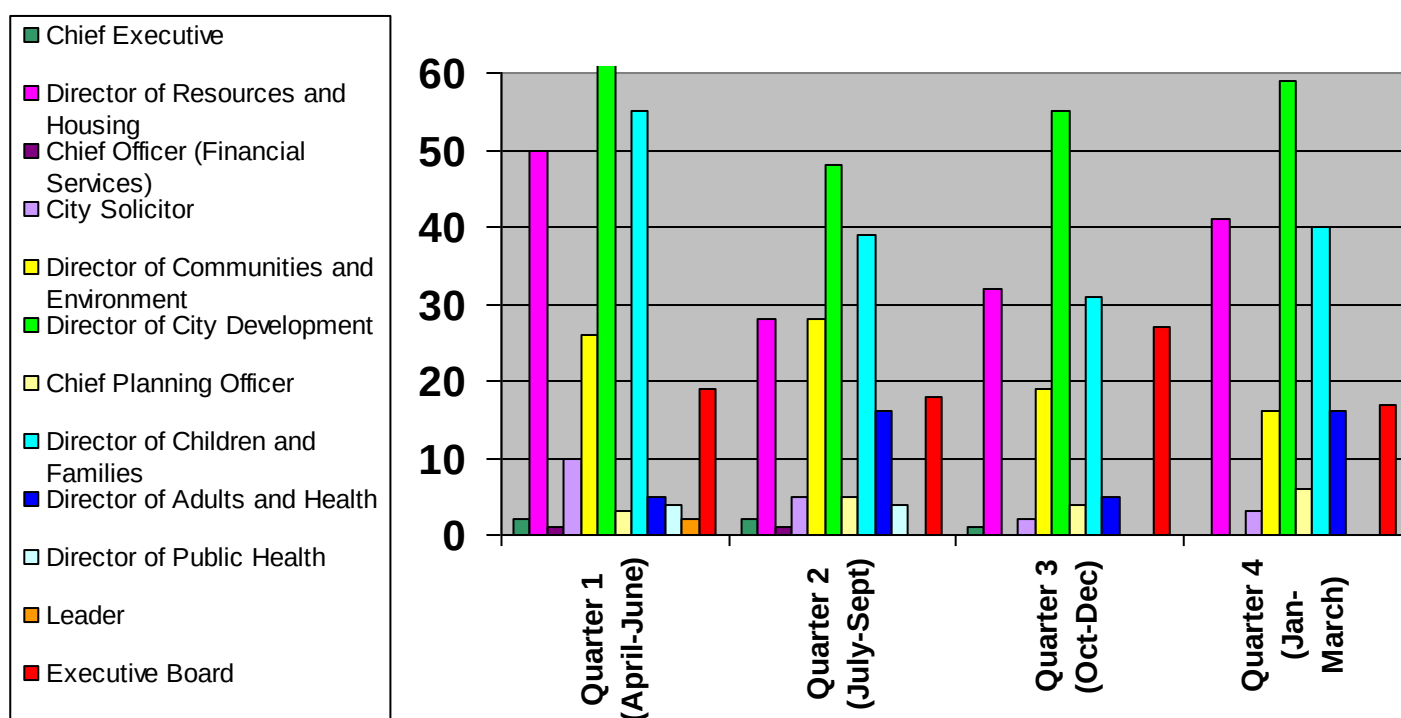
Executive Decision Making

- 3.14 Key decisions are subject to the following requirements in relation to prior publicity and oversight:
- Notice of intention to take each decision must be published to the List of Forthcoming Key Decisions (and a link circulated to all Members) not less than 28 days before the decision is taken unless specific statutory exemptions apply;
 - A report, setting out the reasons for the decision, must be published five clear days in advance of the decision being taken¹; and
 - Where eligible, the decision will be made available for call in – unless exempted by the decision maker for reasons set out in the report.
- 3.15 Significant operational decisions must be recorded by publishing a record of the decision together with the reasons for it as soon as practicable after the decision has been taken.
- 3.16 The Head of Democratic Services has maintained a record of key and significant operational decisions published by officers by directorate. The information below shows the distribution of decisions taken by directorate each month, together with

¹ This is a local provision and is not required by law

comparative data by quarter for the 2018/19 and 2019/20 municipal years. The data shown includes decisions taken in response to the Coronavirus pandemic where those decisions were taken during March 2020².

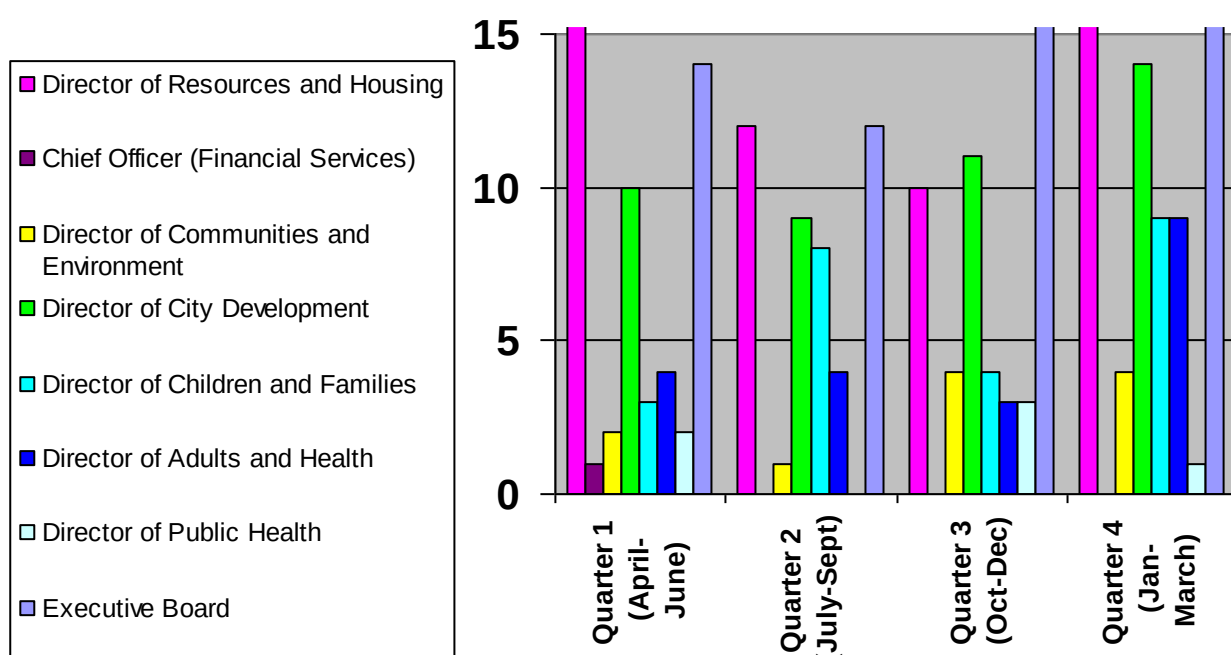
Distribution of Significant Operational Decisions Published April 2019 to March 2020



Comparison of Significant Operational Decisions Published 18/19 and 19/20										
	Quarter 1 (April-June)		Quarter 2 (July-September)		Quarter 3 (October-December)		Quarter 4 (January-March)		Full Year	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
City Development	63	44	48	98	55	66	59	58	225	266
Resources and Housing	50	44	28	57	32	49	41	55	151	205
Communities and Environment	26	21	28	15	19	15	16	22	89	73
Adults and Health	5	19	16	22	5	18	16	34	42	93
Children and Families	55	60	39	31	34	27	40	39	165	157
Public Health	4	2	4	1	0	2	0	7	8	12
City Solicitor	10	7	5	9	2	3	3	5	20	24
Chief Executive	2	3	2	0	1	0	0	2	5	5
Chief Planning Officer	3	1	5	4	4	2	6	3	18	10
Chief Finance Officer	1	2	1	0	0	0	0	1	2	3
Leader	2	1	0	0	0	0	0	1	2	2
Executive Board	19	14	18	19	27	14	17	16	81	63
total	240	218	194	256	176	196	198	243	808	913

² Information is included later in this report as to decisions taken throughout the emergency response period.

Distribution of Key Decisions published - April 2019 to March 2020



Comparison of Key Decisions Published 18/19 and 19/20										
	Quarter 1 (April-June)		Quarter 2 (July-September)		Quarter 3 (October-December)		Quarter 4 (January-March)		Full Year	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
City Development	10	7	9	11	11	8	14	11	44	37
Resources and Housing	21	13	12	18	10	16	22	11	65	58
Communities and Environment	2	3	1	4	4	4	4	5	11	16
Adults and Health	4	6	4	3	3	0	9	2	20	11
Children and Families	3	5	8	3	4	4	9	6	24	18
Public Health	2	2	0	1	3	0	1	1	6	4
City Solicitor	0	0	0	0	0	0	0	0	0	0
Chief Executive	0	0	0	0	0	0	0	0	0	0
Chief Planning Officer	0	1	0	0	0	0	0	0	0	1
Chief Finance Officer	1	0	0	0	0	0	0	0	0	0
Executive Board	14	18	12	22	28	10	19	15	73	65
Total	57	55	46	62	63	42	78	51	244	210

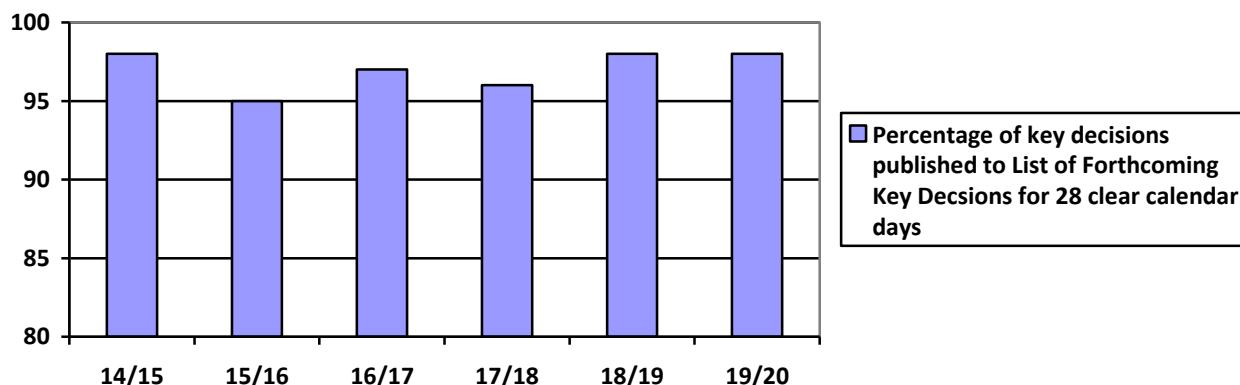
Inclusion of Key Decisions Taken in List of Forthcoming Key Decisions for 28 clear calendar days before decision is taken

- 3.17 The List of Forthcoming Key Decisions (LOFKD) is the mechanism by which publicity is provided in connection with key decisions in accordance with the requirements set out in the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.
- 3.18 In line with requirements the Executive and Decision Making Procedure Rules provide that all potential key decisions must be published to the LOFKD (and a link circulated to all Members) not less than 28 days before the decision is taken unless:
- The decision fits the statutory General Exception (GE) – in which case notice will be published 5 clear days in advance of the decision being taken (and circulated to all Members); or
 - The decision fits the statutory criteria for Special Urgency (SU) – in which case the relevant Scrutiny Chair will be asked to agree that the decision is urgent and cannot be delayed.
- 3.19 Reflecting the statutory exemptions, the Head of Democratic Services has set a performance indicator of 89% of all key decisions to be published to the LOFKD not less than 28 clear calendar days before the decision is taken.
- 3.20 During the reporting period 98% of all key decisions were included in the LOFKD. 143 of 147 (97%) key decisions taken by officers in the reporting period were included in the LOFKD. All of the 65 key decisions taken by Executive Board were included in the LOFKD.
- 3.21 Of the four decisions not included in the LOFKD, one was treated as a General Exception and two as Special Urgency.
- 3.22 One decision³ was subject to an administrative miscalculation of time and published to the LOFKD only 26 clear days before the decision was taken. This error was identified on monitoring and discussed with the Chief Officer Resources and Strategy (Adults and Health). It was noted that no Member enquiries were received in relation to the decision which was published a total of five weeks, including the call in period, before implementation.
- 3.23 The table below sets out the details of decisions taken with less than 28 clear calendar days on the LOFKD.

Key decisions taken before inclusion in the List of Forthcoming Key Decisions for 28 clear calendar days.				
Month	DDN	Director	GE / SU	Reason for treating as General Exception
July 19	D49892	Director of City Development	GE	High Streets Heritage Action Zone Short timescales for the consideration of potential projects and submission of Expression of Interest to the HAZ programme.
October 19	D50203	Director of Resources and Housing	GE	ERDF Funded Fitting the Future Project Funding agreement needed to be concluded with central government by 31st October.
March 20	D50690	Director of City Development	SU	Closure of Facilities in Culture and Sport Exceptional and unforeseen circumstances of the Coronavirus.

³ May 19, Director of Adults and Health, D48682, Carer Support Services Contract

3.24 The chart below shows the performance trend over the past 6 years in relation to the key performance indicator of 89% of key decisions to be published to the LOFKD 28 clear calendar days before the decision is taken.



Publication of reports 5 clear working days before key decision is taken by officer⁴

- 3.25 Committee will recall that the Executive and Decision Making Procedure Rules provide for a local (non-statutory) requirement that a report in support of a key decision is published five clear working days before that decision is taken by an officer. In 2018 the rules were amended to allow for the late publication of reports in relation to key decisions with the approval of the relevant Executive Member.
- 3.26 Rule 3.1.4 of the Executive and Decision Making Procedure Rules requires that the Head of Democratic Services reports annually to this Committee giving details of any key decisions taken in accordance with this rule.
- 3.27 Reports were published within the required timescale for 135 of 147 (92%) key decisions taken by officers during the reporting period.
- 3.28 Of the 12 decisions published at short notice eight were published in the period April to June as a combined result of technological and administrative error. All eight related to decisions taken within one directorate. When the error was identified immediate steps were taken to address the technological issues and to provide training and support to ensure correct procedure was followed thereafter. No further issues have been identified with publication in this directorate.
- 3.29 One further administrative error was identified in July when a decision was taken in accordance with the General Exception procedure but although added to the LOFKD five clear working days before the decision was taken, publication of the report was overlooked. The Executive Member for Climate Change, Transport and Sustainable Development was aware of the decision, and the Scrutiny Chair (Infrastructure, Investment and Inclusive Growth) had been advised of the intention to take the decision⁵ with five clear days' notice as required by the general exception provision.
- 3.30 When adjusted to remove late publication due to administrative error 144 of 147 (98%) reports were published in good time indicating a good awareness of the need to prepare a publish reports in good time.

⁴ No target set

⁵ D49892 detailed in the section on LOFKD above

3.31 The table below sets out details in relation to the remaining three decisions which were published at short notice.

Decisions taken at short notice			
Month taken	Decision Number	Director	Reason for short notice.
July	D49833	Director of Communities and Environment	Creation and implementation of Crew Chargehand roles in Refuse Services Publication came at the conclusion of Trade Union negotiations on the proposals
Sept	D50031	Director of Resources and Housing	Contracts for the supply of Home to School Transport Decision awaited review of capacity within the in house service to deliver these routes. Limitations identified could have serious implications on the ability to transport SEND children from home to school and discharge legal obligations. These contracts needed to be in place by 2nd September when the new school year starts.
Nov	D50276	Director of Communities and Environment	Extension of Mixed Dry Recyclate treatment Contract As a result of the time given to, the legal implications, the breadth of negotiations undertaken and analysis required to formulate the recommendations in report, delay would have risked key contract expiring without extension. The nature of the contract is such that it would seriously prejudice the Council's interests if there were to be any delay.

3.32 The table below sets out comparative data in relation to prior publicity for key decisions taken during each reporting period. The high level of inclusion of decisions in the LOFKD has been maintained.

3.33 The Committee is requested to consider the 89% target set for inclusion of decisions within the LOFKD. Whilst inclusion of the General Exception and Special Urgency provisions within the legislation clearly envisages that there will be circumstances in which it is not possible to publish notice of proposed key decisions 28 clear calendar days in advance, Members may be of the view that the target is set too low.

3.34 Having reviewed the information provided in this report, the City Solicitor recommends that the target should be set at 95% in line with that for availability of decisions for call in. However it is anticipated that the impact of urgent decisions taken during the Coronavirus pandemic may mean that the authority does not meet this target in the 2020/21 reporting period.

Reporting Period	2016/17	2017/18	2018/19	2019/20
Key decisions on List	200	212	240	208
Percentage Key decisions on list (target 89%)	97%	96%	98%	98%
General Exception	5	6	4	1
Special Urgency	1	2	0	2
Percentage reports for officer decisions published in time				98% ⁶

⁶ Figure not including reports published late due to administrative error.

Availability of eligible officer and Executive Board decisions for Call In⁷

- 3.35 Section 9F of the Local Government Act 2000 requires that executive arrangements by a local authority include the provision for appointment of one or more Overview and Scrutiny Committees with, inter alia, power to review or scrutinise decisions which have been taken by the executive but not yet implemented. These are known as Call In arrangements and are set locally.
- 3.36 Part 5 of the Executive and Decision Making Procedure Rules sets out the call in arrangements adopted by Leeds City Council. Rule 5.1.2 sets out details of those decisions which are eligible for call in⁸. Rule 5.1.3 provides that eligible decisions may be exempted from call in where the decision is urgent because any delay would seriously prejudice the Council's or the public's interests.
- 3.37 The Head of Democratic Services has set a performance indicator of 95% of all eligible decisions to be available for call in.
- 3.38 Of 147 key decisions taken by officers, all 147 were eligible for call in. Six of these eligible decisions were exempted from call in meaning that 141 (96%) eligible decisions taken by officers were eligible for call in.
- 3.39 The table below sets out details in relation to the six decisions exempted from call in by officers.

Decisions exempted from call in by officers			
Month taken	DDN Number	Director	Reason for exemption from call in.
July	D49892	Director of City Development	High Street Heritage Action Zone Delay would cause council to lose the opportunity to bid for up to £750k in funding for the Street Fund Heritage Action Zone scheme.
Sept	D50031	Director of Resources and Housing	Contracts for the supply of Home to School Transport Decision awaited review of capacity within the in house service to deliver these routes. Limitations identified could have serious implications on the ability to transport SEND children from home to school and discharge legal obligations. These contracts needed to be in place by 2nd September when the new school year starts.
Oct	D50203	Director of Resources and Housing	ERDF Funded Fitting the Future Project Funding agreement needed to be concluded with central government by 31st October.
Nov	D50276	Director of Communities and Environment	Extension of Mixed Dry Recyclate treatment Contract As a result of the time given to, the legal implications, the breadth of negotiations undertaken and analysis required to formulate the recommendations in report, delay would have risked key contract expiring without extension. The nature of the contract is such that it would seriously prejudice the Council's interests if there were to be any delay.
Feb	D50589	Director of Resources and Housing	Housing Leeds Air Source Heat pump Scheme Following failure to meet earlier deadline, requirement to sign funding agreement by return or offer of funding to be withdrawn by Warm Homes Fund.
March	D50690	Director of City Development	Closure of Facilities in Culture and Sport Exceptional and unforeseen circumstances of the Coronavirus.

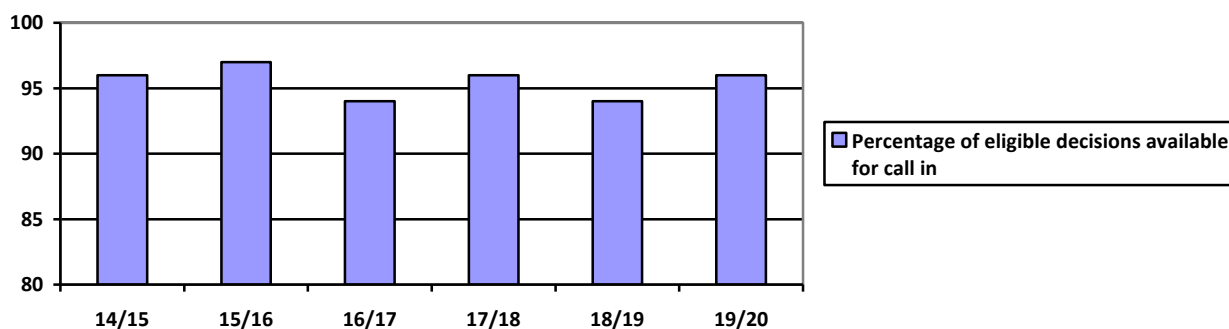
⁷ Target 95% eligible decisions available for call in.

⁸ In brief, and subject to limited exceptions – key decisions taken by officers; all decisions taken by Executive Board; and executive decisions taken by the Health and Wellbeing Board.

- 3.40 Of 128 decisions taken by Executive Board 121 were eligible for call in. The seven ineligible decisions were all in relation to budget and policy framework documents which would be approved through the Budget and Policy Framework Procedure Rules which make provision for Scrutiny consideration of proposals. Five of the 121 eligible decisions were exempted from call in meaning that 116 (96%) eligible decisions taken by Executive Board were eligible for call in.
- 3.41 The table below sets out details in relation to the five decisions exempted from call in by Executive Board.

Decisions exempted from call in by Executive Board			
	Minute	Director	Reason for exemption from call in.
April	196 (Key)	DCD	Funding Arrangements for Delivery of Affordable and Community Housing at Leopold Street Delay in implementing decision and enabling work to start on-site could result in the scheme becoming financially unviable and undeliverable due to further increases in development costs.
July	44 (Key)	DCD	Creative and Digital Workspace Fund Leeds Media Centre – short timescales for the bidding process and need to confirm match funding as quickly as possible after the bid submission deadline. Hope House - The current property owner seeks confirmation of purchase to be funded by grant by end September 2019, or will pursue alternative option.
Sept	57(other)	Chief Executive	Update on Council's Preparations for the UK's exit from the European Union To enable debate by Full Council prior to the UK's planned exit date from the EU on 31 October 2019.
Jan	122(Key)	DCF	Outcome of statutory notice on expansion of East SILC – Joh Jamieson onto two additional sites. To meet statutory guidance in relation to school expansion which states that decisions must be made within 2 months of the end of the representation period or be referred to the Schools Adjudicator.
Feb	146 (Key)	DCF	School Admission Arrangements for 2021/22 Consultation delayed until after conclusion of purdah period relating to General Election. School Admissions Code (2014) requires that all admission arrangements are determined following consultation by no later than 28 February annually.

- 3.42 The chart below shows the performance trend over the past six years in relation to the key performance indicator of 95% of eligible decisions to be available for call in.



- 3.43 The table below sets out comparative data in relation to availability and take up of call in arrangements in relation to decisions taken during each reporting period. Availability for call in has met the performance indicator in this reporting period.

Reporting Period	2016/17	2017/18	2018/19	2019/20
Decisions eligible for call in	285	282	314	268
Decisions available for call in	267	271	295	257
Percentage eligible decisions available for call in (target 95%)	94%	96%	94%	96%
Decisions called in	2	0	2	0
Decisions released for implementation following Call In	1	NA	2	NA
Recommendations made following Call In	1	NA	0	NA

Decisions Not Treated as Key

- 3.44 Executive and Decision making Rule 6.1 requires the Head of Democratic Services to report annually to this Committee in respect of any decisions which appear to have been wrongly treated.
- 3.45 The Head of Democratic Services is pleased to confirm that no decisions have been challenged under this provision.

Decision Making by Committee

- 3.46 The Head of democratic Services monitors local performance indicators in relation to the publication of agendas and minutes for Council, Executive Board and their Committees. Performance in respect of those Committees monitored is set out below.

Publication of Agendas

- 3.47 Legislation⁹ requires the Council to publish agendas and reports for Committees five clear working days in advance of a meeting. Legislation also sets out exception provisions for meetings to be called at short notice.
- 3.48 The Head of Democratic Services has established a target for 99% of agendas to be issued and published within the five day statutory deadline. This target reflects the council's minimal use of the short notice provisions referred to above.
- 3.49 Of 190 meetings which took place within the reporting period covered by this report, 189 agendas (99%) were issued in accordance with the 5 clear day deadline.
- 3.50 The one agenda which was not published 5 clear working days in advance of the meeting during the reporting period, related to a meeting of Scrutiny board (Infrastructure, Investment and Inclusive Growth) on 31st July 2019. Due to an administrative error, the agenda was published on the Council's website 26th July, giving two clear working days' notice before the meeting. However, printed copies of the agenda were distributed to Committee members on Tuesday 23rd July, five clear days before the meeting took place.

Publication of Minutes

- 3.51 Legislation requires that minutes of the proceedings of a meeting of a local authority must be prepared and signed at the same or next suitable meeting of the authority by the person presiding at the meeting. There is however, no statutory provision as to the time period for the publication of Committee minutes.
- 3.52 In order to make decisions of Leeds City Council and its executive accessible and transparent the Head of Democratic Services has established a local target of 90% of draft minutes to be published on the Council's internet site within ten working days.
- 3.53 In addition the Executive and Decision Making Procedure Rules require that minutes for all meetings of Executive Board are published within two working days of the meeting. This permits prompt availability of Executive Board decisions for call-in and minimises the delay to implementation necessary to allow for the call-in process. Members should note that there has been 100% compliance with this requirement.
- 3.54 Of 208 Committee meetings which have taken place within the period covered by this report, 192 (92%) draft minutes were published within this locally established target.
- 3.55 Of the sixteen sets of minutes which were not published within 10 working days of the meeting during the reporting period, eleven were published within 15 working days of the meeting; and two were published within a further five working days. The remaining three minutes related to meetings of the Licensing Sub Committee and were published late as a result of human error – the clerk responsible has put steps in place to ensure that this will not be repeated.

Coronavirus Pandemic

- 3.56 The Council's decision making framework was adapted in a number of ways to meet the challenges of the Coronavirus Pandemic brought about by requirements

⁹ Section 100B of the Local Government Act 1972 for Council Committees; and the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012 for Executive Committees

for social distancing; and responding to the need to maintain and increase delivery of front line services. Innovations have included:-

Sub-delegations

- 3.57 Directors derive their authority to take decisions through the Officer Delegation Scheme set out in the Constitution. In turn each Director sub-delegates that authority to officers of suitable experience and seniority through their sub-delegation scheme. Schemes may reserve some decisions to the Director but provide for decisions to be taken in their absence on leave (including annual leave, sick leave and special leave).
- 3.58 Each Director has amended their scheme in the following terms:
- “Strictly in exceptional circumstances, such as a global pandemic, where officers with the requisite delegations are incapacitated or absent, functions may be exercised by any officer within the council with suitable experience and seniority who has been appropriately briefed and has sufficient understanding of the matter to be decided.”
- 3.59 These arrangements will only be used in extremis but will enable business continuity in the event that the council or directorate’s human resources are significantly compromised by the pandemic.

Recording of Officer Decisions

- 3.60 In the normal course of events, officer decisions are recorded on the same template used for Committee reports across the council, and published alongside a delegated decision notice which gives formal notification of the decision made. However completion of these reporting arrangements is heavily dependent on officer time and resource and was impracticable to achieve as staff and resources were swiftly and flexibly deployed to meet the requirements of service provision through the pandemic.
- 3.61 It was recognised that in the early days and weeks of the emergency a number of decisions were taken by officers seeking to give effect to government guidance and to enable the Council’s emergency response. Given the pace and volume of decisions taken it was not possible to formally record all of those decisions as they were taken.
- 3.62 However, in order to ensure that arrangements were open and transparent a record of those decisions taken was presented to Executive Board on 22nd April and retrospective endorsement of those decisions was approved.
- 3.63 In order to support recording of decisions during the emergency response and recovery period, and taking into account legislative requirement and the provisions of the Constitution, the City Solicitor prepared a shortened form for recording decisions taken by officers. This provided a simplified format, meeting the statutory requirements for reporting whilst setting out relevant considerations in making each decision and capturing arrangements for transparency and political oversight. This proved a useful tool for recording decisions made at pace in response to the emergency, although where possible decisions continued to be supported by a full report.
- 3.64 In addition arrangements were made for the batch publication of significant operational decisions through weekly reporting of all such decisions taken within directorates on one schedule which forms the Council’s record of those decisions. However on review of arrangements, it was noted that this batch publishing

approach had been of limited use and was therefore brought to an end, with significant operational decisions being reported on the short form decision record.

- 3.65 The table below sets out the quantity of key and significant operational decisions published each week from the beginning of the emergency response period. These include decisions taken in pursuance of business as usual as well as those required to support activity in relation to the Coronavirus pandemic.

Publish W/C	Total decisions	Key	Special Urgency	General Exception	Call In Exempt	Short form used	SOD	Batch published
16/3/20	28	6	1	0	1	0	22	0
23/3/20	27	11	1	0	1	0	16	0
30/3/20	30	0	0	0	0	0	30	0
6/4/20	17	5	3	0	3	3	12	0
13/4/20	16	2	2	0	2	2	14	3
20/4/20	21	4	0	0	0	0	17	3
27/4/20	44	4	0	0	0	0	40	7
4/5/20	21	4	1	0	1	1	17	2
11/5/20	16	1	0	0	0	1	15	0
18/5/20	27	3	0	1	1	1	24	0
25/5/20	14	3	2	0	2	1	11	0

Scrutiny Oversight

- 3.66 In order to avoid potentially serious consequences for the Council and the City the Scrutiny Board Chairs gave their combined agreement that all key decisions taken in relation to the emergency response to and in consequence of the Coronavirus Pandemic are of 'Special Urgency' and could be taken forthwith. In so doing, the Scrutiny Chair's drew reassurance from the commitment that officers would use their best endeavours to brief Scrutiny Chairs ahead of urgent decisions, and that Directors would provide weekly briefings in respect of any decisions taken under this overarching consent. The consent, which was given on 3rd April was reviewed and extended on 27th April. This arrangement, being deemed no longer necessary, was brought to an end on 7th May 2020.
- 3.67 Members are advised that of the 19 key decisions published between 3rd April and 7th May, while the overarching approval was in place, six were taken under the special urgency provision; all six were individually approved by the relevant Scrutiny Board Chair in the usual manner, no special urgent decisions were taken relying on the overarching approval.
- 3.68 In addition directors provided weekly updates for Scrutiny Chairs as to the key and significant operational decisions taken within the directorate each week. Briefings focussed on decisions taken under the overarching special urgency approval; and those taken as a direct consequence of the key decision giving authority to spend the £22M emergency grant provided by the government in order to facilitate the council's emergency response. This regular engagement between Scrutiny Board

Chairs and Executive Members /Directors helped develop and improve relationships and understanding of pressures and priorities.

Remote Meetings

- 3.69 Formal Committee meetings were cancelled with effect from 12:00 noon on Monday 16th March in view of guidelines on social distancing.
- 3.70 Consultative, informal meetings of Executive Board took place on 18th and 25th March. Agendas and minutes of these informal meetings were published to the Council's website and formal decision making was undertaken by officers taking the views of Executive Board into account.
- 3.71 The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020 No.392 enabled formal remote meetings providing arrangements complied with relevant criteria enabling participants to engage and the public to access those meetings.
- 3.72 Work took place at pace to identify a digital solution which would enable participants in remote meetings to hear and be heard whilst the public were able to access the meeting in real time.
- 3.73 The first webcast remote meeting of Executive Board took place on 22nd April and a single item agenda remote Full Council meeting took place on 30th April. Since then remote meetings have been set up for Plans Panels, and Scrutiny Boards, whilst Community Committees are meeting in an informal advisory capacity. In order to ensure the success of remote meetings there has been a very focussed and prioritised approach to agendas.

Looking forward

- 3.74 The Head of Democratic Services is seeking to develop remote access training for officers. Whilst resource intensive to produce it is envisaged that this will be produced in 'bitesize' modules which officers can access through the PAL system. This will enable officers to revisit those elements they need to review and will produce a record of take up.
- 3.75 Members will be aware of the ongoing project to renew the Corporate Report Template to ensure that it is fit for purpose in the context of local government decision making.
- 3.76 This process was paused at the beginning of the Council's emergency response to the Covid-19 pandemic and will be resumed.
- 3.77 Alongside this template review, work was ongoing to develop the Council's use of the Modern.gov software currently used to publish records of Committee and officer decisions. This project will also be resumed with a view to streamlining the report writing process, enabling end to end delivery from authorship to publication.
- 3.78 In addition to these pieces of work officers will review the decision making activity during the emergency response period with a view to identifying any changes in practice and procedure which worked well and should continue.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The contents of this report have been shared with the Corporate Leadership Team.

4.2 Equality and diversity / cohesion and integration

4.2.1 There are no implications for this report.

4.3 Council policies and the Best Council Plan

4.3.1 The Council's values include being open, honest and trusted; treating people fairly; spending money wisely; working as a team for Leeds; and working with communities. The Council's decision making framework sets out systems and processes which ensure information is shared in a clear and consistent fashion to enable the people living and working in the communities of Leeds to engage with decision makers to ensure that community wishes and needs are taken into consideration.

4.3.2 Whilst decision makers are required to consider whether the decision to be taken represents best value the systems and processes themselves are subject to continuous review to ensure that their implementation is practicable and makes best use of the Council's resources to achieve compliance with both the statutory and local framework.

Climate Emergency

4.3.3 Reporting arrangements ensure that consideration is given to climate emergency factors in relation to executive decision making.

4.4 Resources, procurement and value for money

4.4.1 The systems and processes in place to meet the requirements of the decision making framework do so from within existing resources.

4.5 Legal implications, access to information, and call-in

4.5.1 The Council's decision making framework meets the statutory requirements in relation to decision making and monitoring of relevant performance indicators ensures compliance.

4.6 Risk management

4.6.1 The positive assurances set out in this report show that the Council's decision making framework is fit for purpose, embedded and routinely complied with so there are no risks identified by this report.

5. Conclusions

5.1 From the review, assessment and on-going monitoring carried out, the Head of Democratic Services has reached the opinion that, overall, decision making systems are operating soundly and that arrangements are up to date, fit for purpose, effectively communicated and routinely complied with.

6. Recommendations

6.1 Members are requested to:

- consider and note the positive assurances provided in this report given by the Head of Democratic Services;
- comment on the proposal that the target for inclusion of key decisions in the List of Forthcoming Key Decisions should be increased to 95%.

7. Background documents¹⁰

7.1 None

¹⁰ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Report of City Solicitor

Report to Corporate Governance and Audit Committee

Date: 29th June 2020

Subject: Work Programme

Are specific electoral wards affected?	☐ Yes	☒ No
If yes, name(s) of ward(s):		
Has consultation been carried out?	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Will the decision be open for call-in?	☐ Yes	☒ No
Does the report contain confidential or exempt information?	☐ Yes	☒ No
If relevant, access to information procedure rule number:		
Appendix number:		

1. Purpose of this report

- 1.1 The Purpose of this report is to notify Members of the Committee's draft work programme for the forthcoming Municipal Year. The draft work programme is attached at Appendix 1.

2. Background information

- 2.1 The work programme provides information about the future items for the Corporate Governance and Audit Committee agenda, when items will be presented and which officer will be responsible for the item.

3. Main issues

- 3.1 Members are requested to consider the draft work programme attached at Appendix 1 and determine whether any additional items need to be added to the work programme.
- 3.2 Members are asked to consider and note the dates for meetings of the Committee (agreed in March 2019) in the Municipal Year. Members will recall that these have been set out in such a way as to enable the Committee to fulfil its functions and responsibilities in a reasonable and proportionate way.
- 3.3 Members will note that the alteration to the statutory timetable for publication and approval of the council's accounts and annual governance statement mean that the business usually transacted at the July meeting has been postponed to a date to be fixed. This will be dependent on the conclusion of the audit of accounts.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 This report consults seeks Members views on the content of the work programme of the Committee, so that it might meet the responsibilities set out in the committee's terms of reference.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 There are no equality and diversity or cohesion and integration issues arising from this report.

4.3 Council policies and the Best Council Plan

- 4.3.1 The work programme provides a balanced number of reports and assurances upon which the committee can assess the adequacy of the council's corporate governance arrangements.

Climate Emergency

- 4.3.2 There are no implications associated with the climate change emergency

4.4 Resources, procurement and value for money

- 4.4.1 It is in the best interests of the Council to have sound control arrangements in place to ensure effective use of resources, these should be regularly reviewed and monitored as such the work programme directly contributes to this.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This report is not an executive function and is not subject to call in.

4.6 Risk management

- 4.6.1 By the Committee being assured that effective controls are in place throughout the Council the work programme promotes the management of risk at the Council.

5. Conclusions

- 5.1 The work programme of the Committee should be reviewed regularly and be updated appropriately in line with the risks currently facing the Council.

6. Recommendations

- 6.1.1 Members are requested to consider the draft work programme and meeting dates at Appendix 1 and determine whether any additional items need to be added to the work programme.

7. Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

CORPORATE GOVERNANCE AND AUDIT COMMITTEE – WORK PROGRAMME 2020-21

Date		Agenda	Purpose
Formal Committee meeting 10:00am Monday 27 th July 2020	1	Update assurance report on corporate risk management arrangements	To receive an update report relating to the council's corporate risk management arrangements.
	2	Draft statement of accounts	To receive the 2019/20 Statement of Accounts following them being made available for public inspection.
	3	Interim annual governance statement	To receive a report setting out the Interim Annual Governance Statement for comment.
10:00am Monday 27th July 2020 To be rearranged for a future meeting when GT have concluded audit of accounts	1	Internal audit annual report and opinion	To receive the report setting out the annual audit report and opinion of the Head of Internal Audit. To receive assurance in relation to the arrangements for RIPA.
	2	Audited accounts & audit report	To receive the audit report of the external auditor
	3	Annual Governance Statement	To receive and approve the Annual Governance Statement.
Monday 10:00am 21 st Sept 2020	1	Internal audit update report	To receive the update report from the Head of Internal Audit. This is a regular item
	2	Annual assurance report on planning regulation and enforcement arrangements	To receive the annual assurance report concerning the Council's arrangements in relation planning regulation and enforcement
	3	Annual assurance report on employment policies and procedures and employee conduct	To receive the annual assurance report relating to governance arrangements for employment policy and procedure and employee conduct.
	4	Applications Portfolio Programme – Update on Access Project	To receive an update report in relation to progress on the access project.
Oct			
Nov			

Date		Agenda	Purpose
10:00am Monday 14 th Dec 2020	1	Annual Audit letter and External Audit update report	To receive the annual audit letter and an update report from the external auditor. This is a regular item
	2	Internal audit update report	To receive the update report from the Head of Internal Audit. This is a regular item
	3	Annual report on corporate risk management arrangements	To receive an update to the annual assurance report relating to the council's corporate risk management arrangements.
	4	Annual assurance report on corporate business continuity arrangements	To receive the annual assurance report concerning the Council's business continuity arrangements.
	5	Annual assurance report on corporate performance management arrangements	To receive the annual assurance report concerning the Council's performance management arrangements.
	6	Applications Portfolio Programme – Update on Access Project	To receive an update report in relation to progress on the access project.
Jan			
10:00am Monday 8 th Feb 2020	1	External audit plan and update report	To receive the proposed external audit plan and update report from the external auditor.
	2	Internal audit update report	To receive the update report from the Head of Internal Audit. To receive an update on the operation of RIPA arrangements. This is a regular item
	3	Annual customer contact and satisfaction report	To receive the annual assurance report concerning customer contact and satisfaction
	4	Annual information governance assurance report	To receive the annual assurance report on the council's information governance arrangements, including arrangements for discharge of the Caldicott guardian role
	5	Applications Portfolio Programme – Update on Access Project	To receive an update report in relation to progress on the access project.

Date		Agenda	Purpose
10:00am Monday 15 th Mar 2020	1	External Audit update report	To receive the update report from the external auditor. This is a regular item
	2	Internal audit plan	To receive the annual report seeking views on the proposed internal audit plan
	3	Annual financial management report	To receive the annual assurance report concerning financial planning and management arrangements at the council
	4	Annual treasury management report	To receive the annual assurance report on treasury management systems and processes
	5	Applications Portfolio Programme – Update on Access Project	To receive an update report in relation to progress on the access project.
	6	Draft Annual report of Committee to Council.	To receive a proposed draft annual report from the committee for presentation by the Chair at Full Council
Apr			

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