

Leicester  
City Council

## **MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE**

**DATE: WEDNESDAY, 10 JULY 2024**

**TIME: 5:30 pm**

**PLACE: Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ**

### **Members of the Committee**

Councillor Kaur Saini (Chair)

Councillor Adam Clarke (Vice-Chair)

Councillors Adatia, Cassidy, Joel, Kitterick and Rae Bhatia.

Independent Member Mr Bipun Bhakri

One unallocated Labour Group place

**Members of the Committee are summoned to attend the above meeting to consider the items of business listed overleaf.**

for Monitoring Officer

**Officer contact: Sharif Chowdhury**  
Senior Governance Officer  
, Governance Services, Leicester City Council,  
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- ✓to respect the right of others to view and hear debates without interruption;
- ✓to ensure that the sound on any device is fully muted and intrusive lighting avoided;
- ✓where filming, to only focus on those people actively participating in the meeting;
- ✓where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.

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## **PUBLIC SESSION** **AGENDA**

### **FIRE / EMERGENCY EVACUATION**

If the emergency alarm sounds, you must evacuate the building immediately by the nearest available fire exit and proceed to the area outside the Ramada Encore Hotel on Charles Street as directed by Governance Services staff. Further instructions will then be given.

#### **1. APOLOGIES FOR ABSENCE**

#### **2. DECLARATIONS OF INTEREST**

Members will be asked to declare any interests they have in the business to be discussed.

#### **3. MINUTES OF THE PREVIOUS MEETING** **Item 3** **(Pages 1-11)**

The minutes of the meeting held on 13th of March 2024 are attached and Members will be asked to confirm them as a correct record.

The minutes of the meeting held on 18th April 2024 are attached and Members will be asked to confirm them as a correct record.

#### **4. HEALTH & SAFETY ANNUAL REPORT 2023/24** **Item 4** **(Pages 13- 29)**

The Director of Corporate Services submits a report to the Governance and Audit Committee which presents the Health and Safety Report 2023-24

The Committee is recommended to note the report.

#### **5. COMMITTEE'S ANNUAL WORK PERFORMANCE REPORT** **Item 5** **(Pages 31-37)**

The Director of Finance submits a report to the Governance and Audit Committee which presents the Committee's Annual Work Performance Report.

The Governance & Audit Committee is recommended to approve.

#### **6. ANNUAL NATIONAL FRAUD INITIATIVE 2023/24** **Item 6** **(Pages 39-43)**

The Director of Finance submits a report to the Governance and Audit Committee which presents the Annual National Fraud Initiative for 2023-24.

The Governance & Audit Committee is recommended to note the report.

#### **7. COUNTER FRAUD ANNUAL REPORT 2023/24** **Item 7** **(Pages 45-49)**

The Director of Finance submits a report to the Governance and Audit

Committee which presents the Counter Fraud Annual Report for 2023-24.

The Governance & Audit Committee is recommended to note the report.

**8. HEAD OF INTERNAL AUDIT SERVICE ANNUAL REPORT 2023/24** **Item 8**  
**(Pages 51-91)**

The Director of Finance submits a report to the Governance and Audit Committee which presents the Head of Internal Audit Service Annual Report for 2023-24.

The Governance & Audit Committee is recommended to note the report.

**9. INSURANCE ANNUAL REPORT 2023/24** **Item 9**  
**(Pages 93-100)**

The Director of Finance submits a report to the Governance and Audit Committee which presents the Insurance Annual Report for 2023-24.

The Governance & Audit Committee is recommended to note the report.

**10. SCHEDULE OF MEETINGS AND WORKPLAN** **Item 10**  
**(Pages 101-102)**

The Director of Finance provides the current work programme to the Governance and Audit Committee.

The Governance and Audit Committee is asked to consider the workplan and make comments and/or amendments as it considers necessary.

**PRIVATE SESSION**

**MEMBERS OF THE PUBLIC TO NOTE**

**Under the law, the Committee is entitled to consider certain items in private where in the circumstances the public interest in maintaining the matter exempt from publication outweighs the public interest in disclosing the information. Members of the public will be asked to leave the meeting when such items are discussed.**

The Committee is recommended to consider the following reports in private on the grounds that they contain 'exempt' information as defined by the Local Government (Access to Information) Act 1985, as amended, and consequently that the Sub-Committee makes the following resolution:-

“that the press and public be excluded during consideration of the following reports in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because they involve the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act, and taking all the circumstances into account, it is considered that the public interest in maintaining the information as exempt outweighs the public interest in disclosing the information.”

Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority).

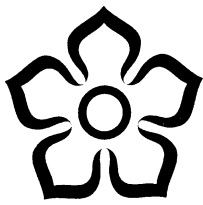
- Future Provision of the Internal Audit Service

**11. FUTURE PROVISION OF THE INTERNAL AUDIT SERVICE** **Item 11**  
**(Pages 105-111)**

The Director of Finance submits a report to update the Committee with the progress being made to engage a new internal audit service provider.

It is recommended that the Committee notes the report and make any comments to the Director of Finance.





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# Item 3

Minutes of the Meeting of the  
GOVERNANCE AND AUDIT COMMITTEE

Held: WEDNESDAY, 13 MARCH 2024 at 5:30 pm

P R E S E N T :

Councillor Kaur Saini (Chair)

Councillor Adatia  
Councillor Bonham  
Councillor Dave

Councillor Whittle  
Councillor Cassidy  
Councillor Kitterick

Also Present:

Mr Bipun Bhakri – Independent Member

\* \* \* \* \*

**1. APOLOGIES FOR ABSENCE**

The Chair welcomed all to the meeting and led on introductions.

There were no apologies for absence.

**2. DECLARATIONS OF INTEREST**

Members were asked to declare any interests they may have in the business to be discussed.

There were no declarations of interest.

**3. MINUTES OF THE PREVIOUS MEETING**

The Head of Finance proposed an amendment to item 10, Progress on Internal Audit Plans, which read as follows:

*“Members of the Committee discussed the report and raised a number of points to which officers provided further explanations and assurances.”*

AGREED:

That the Minutes of the meeting held 22<sup>nd</sup> November 2023 be confirmed as a correct record, subject to the above amendment.

#### **4. RISK MANAGEMENT & BUSINESS CONTINUITY STRATEGY AND POLICIES 2024**

The Director of Corporate Services submits a report to the Governance and Audit Committee which presents the Risk Management and Business Continuity Policy Statement and Strategies which provide an effective framework for Leicester City Council to management and respond to key risks facing its services and support the delivery of its Business Plan.

Risk Management Manager, Sonal Devani, presented the report.

Members discussed the report and the following points were raised:

- Members highlighted their appreciation for the structure and clarity of the report. However Members also expressed frustration with the font size used in the report and found it illegible at times.
- Members enquired about the effectiveness of the business recovery strategy in regards to the recent cyber security incident at the Council. The Director of Corporate Services, Andrew Shilliam, noted that the incident was ongoing, however the recovery process was consistent with the strategies outlined in the report. It was further noted that evaluation of the effectiveness of the strategy would be reviewed following the resolution of the incident and that a report would be brought back to the Committee at a future meeting.
- Members expressed strong concern regarding the ongoing cyber security incident and need for clarity and transparency regarding the current state of affairs. A Member raised further concern with how the incident was being handled and the importance of democratically elected Councillors being provided with up-to-date information on large scale incidents. The Director of Corporate Services and Director of Finance noted that the incident was subject to an ongoing police investigation and that an all-Member Briefing had been delivered the previous day, 12<sup>th</sup> March.
- The Independent Member of the Committee questioned the Governance and Audit Committee's position in the pyramid structure presented on page 22 of the report and welcomed regular training on Risk Management. Further concern was raised regarding their inability to attend a briefing regarding the latest cyber security incident and the expectations on the independent Member in supporting fellow Members on the Committee. ACTION: The Director of Finance would take the concerns back to the Monitoring Officer.
- Officers highlighted the role of the Committee in reviewing Council Strategies as opposed to scrutiny of live incidents and referenced the Committee's Terms of Reference. Officers further noted that a report on the cyber-security incident would be brought back to a future meeting following the conclusion of the incident, where Members could analyse



the incident and compare effectiveness with the Council's Framework and Strategies.

Councillor Kitterick proposed a motion and moved that: "*the importance of transparency during major events as a democratically elected organisation and the requirement for up-to-date knowledge and awareness for Members of the Governance and Audit Committee was a must during high-risk incidents*". There were no Seconders and the Motion failed.

The Chair clarified to Members the importance of staying respectful when addressing officers or Members.

It was noted that Councillor Kitterick left the meeting.

AGREED:

1. That the report be noted.
2. That the Director of Finance refer back to the Monitoring Officer regarding the extent of the role of the Independent Member for the Governance and Audit Committee.

#### **5. REGULATION OF INVESTIGATORY POWERS ACT 2000 - BI-ANNUAL PERFORMANCE JULY - DECEMBER 2023**

The City Barrister and Head of Standards submitted a report to the Governance and Audit Committee which advised on the performance of the Council in authorising Regulatory Investigation Powers Act (RIPA) applications from 1<sup>st</sup> July 2023 to 31<sup>st</sup> December 2023.

The Director of Finance, Amy Oliver, presented the report.

AGREED:

That the report be noted.

#### **6. PROGRESS AGAINST INTERNAL AUDIT PLANS 2023/24**

The Head of Internal Audit Service (HoIAS) Leicestershire County Council submitted a report to the Governance and Audit Committee which provided a summary of progress against the 2023-24 and prior year internal audit plans.

The HoIAS, Neil Jones, presented the report and the following points were noted:

- Members were reminded that new recommendations were shown in bold font. A summary of movements was noted to be on page 65.

- It was noted that a report had been received during the week prior to the meeting regarding the Spinney Hill Primary School item, which could potentially lead to the item being closed.
- The table on page 65 was referred to and it was noted that while a number of audits were outstanding, a number were in draft format ready to be submitted or reviewed. Thirty-eight were noted to be moving to finalised from in-progress.
- It was noted that the number of days had largely increased in comparison to the prior report. While 800 days were set as a target to be provided over the course of a year, it was noted that it was expected to exceed the target for 2023/24.
- It was noted that every five years an external quality assessment would be arranged and undertaken by an independent assessor, the cost of which would be borne by the Leicestershire County Council's Internal Audit Service at no extra cost to the Council.
- It was noted that an update report would be presented at the July 2024 meeting.

Members of the Committee discussed the report, and the following points were raised:

- It was noted that the Spinney Hill Primary School update position at 27<sup>th</sup> February would be signed off quickly and would be retested for the end of March. It was noted that there was work to do regarding the Spinney Hill item and would continue to be monitored closely and brought back to the Committee at a future date.
- It was clarified by the Director of Finance that funding was provided to schools from the Department of Education and further information regarding how schools were funded and how funding was managed could be provided to Members outside of the Committee meeting.
- Members enquired about the items on the report noted for 2020/21. It was noted that two items had been closed and the remaining item was being managed alongside engagement with the Business Continuity Team. Members raised further concern whether there was a disconnect in communication between teams in the Council. The Director of Finance noted that responsible teams would come together for a group discussion regarding outstanding items on the audit .
- The Director of Finance noted the Members point regarding the delay for Disaster Recovery on page 72 of the report would be taken back and that findings would be brought back to a future meeting.

The Chair thanked officers for the report.

AGREED

That the report be noted.

**7. ANNUAL REVIEW OF THE LOCAL CODE OF CORPORATE GOVERNANCE 2024/25**

The Director of Finance submitted a report to the Governance and Audit Committee updating the Committee on the assurance and corporate governance processes at Leicester City Council and to approve the Local Code of Corporate Governance.

The Head of Finance, Kirsty Cowell, presented the report.

It was noted that Members were happy with the report and that the report reflected positively on the Council.

The Chair thanked officers for the report.

AGREED:

That the report be noted.

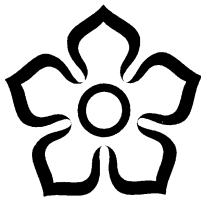
**8. ANY OTHER URGENT BUSINESS**

The Chair noted that the meeting expected to be held on 25<sup>th</sup> March was to be postponed and a new date was to be circulated in due course.

The Chair reminded Members of the Terms of Reference and the Councillors Code of Conduct and emphasised that politeness and professionalism are expected to be upheld at all times.

There being no further business, the meeting closed at 18:39pm.





Leicester  
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# Item 3

Minutes of the Meeting of the  
GOVERNANCE AND AUDIT COMMITTEE

Held: THURSDAY 18 APRIL 2024 at 5:30 pm

P R E S E N T :

Councillor Kaur Saini (Chair)

Councillor Bonham  
Councillor Dave  
Councillor Surti

Councillor Cassidy  
Councillor Kitterick

Also Present:

Mr Bipun Bhakri – Independent Member

\* \* \* \* \*

**1. APOLOGIES FOR ABSENCE**

The Chair welcomed all those present to the meeting and led on introductions.

Apologies of absence were received from Councillor Adatia and Councillor Whittle.

**2. DECLARATIONS OF INTEREST**

Members were asked to declare any interests they may have in the business to be discussed.

There were no declarations of interest.

**3. MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

The Chair agreed that due to delays, the minutes from the previous meeting were deferred to allow additional time for review and comment. These will be presented at the next meeting for approval.

#### **4. CHAIR'S ANNOUNCEMENTS**

The Chair announced that this meeting would be Grant Patterson's final meeting as an external member of the committee and thanked him for his service and support to the Leicester City Council.

Grant Patterson expressed his gratitude and noted the positive working relationship with the Council.

#### **5. RELATED PARTIES**

The Director of Finance submitted a report to the Governance and Audit Committee which presents the report by Grant Thornton on the Council's transactions to Haymarket Consortium Limited.

Grant Patterson, External Auditor for Grant Thornton, presented the related parties transaction report and addressed concerns regarding a transaction involving a loan to Haymarket Consortium Limited.

- It was determined that the loan did not need to be disclosed as a related party transaction under accounting standards nor did it constitute a disclosable interest under the Council's constitution.
- The audit did not find any disclosable interests involving the City Mayor's daughter and the Haymarket. It was concluded that the City Mayor did not have a beneficial interest in HCL, and the relationship did not meet the threshold for disclosure under accounting standards.
- Members of the committee appreciated the report's thoroughness and structure of the report and emphasised the importance of asking questions from an independent viewpoint.
- Members found the report clear and accessible despite the complex subject matter and appreciated the audit's thorough approach.
- Grant Patterson confirmed that the transaction with Haymarket Consortium Limited did not meet the threshold for a related party disclosure under accounting standards. It was concluded that no further actions were necessary regarding this transaction.

#### **RESOLVED:**

The Committee noted the report and provided comments to the External Auditors.

## **6. Statutory Statement of Accounts and Annual Governance Statement 2023/24**

The Director of Finance submitted a report to the Governance and Audit Committee which presents the Statutory Statement of Accounts and Annual Governance Statement for 2022-2023.

The committee discussed the key findings from the audit report presented by Amy Oliver and Grant Patterson.

- Key concerns included issues related to the valuation of property, plant, and equipment, and the implications of a recent cyber-attack.
- Members of the committee raised questions about the need for clearer financial projections and understanding the council's financial position through 2025/26.
- The committee agreed that financial sustainability should be a regular agenda item. The committee approved the ISA 260 report, the statement of accounts, and the letter of representation for 2022/23, with a focus on monitoring financial sustainability and integrating it into future planning.

### **RESOLVED:**

The Governance & Audit Committee:  
Noted the auditor's ISA 260 Report (the Audit Findings Report) to those charged with Governance and the recommendations contained within it, attached at Appendix 1.  
Approved the Statement of Accounts 2022/23, Appendix 2  
Approved the Annual Governance Statement 2022/23, Appendix 2.  
Approved the Letter of Representation submitted by the Director of Finance (S151), attached at Appendix 3.

## **7. External Audit Annual Report 2022/23**

The Director of Finance submitted a report to the Governance and Audit Committee which presents the Value for Money report for 2022-2023.

Alexa Ngini, External Auditor for Grant Thornton, presented the External Audit Annual Report, identifying a significant weakness in the Council's financial sustainability. Immediate actions were recommended to address budget gaps.

- Members of the committee emphasized the importance of strategic planning and avoiding last-minute crisis management and appreciated the clarity of the report and the discussion on enhancing internal processes.
- Members recognised the need for increased oversight and strategic management to address these financial challenges, agreeing on the necessity for cross-committee awareness and ongoing monitoring of financial sustainability.

RESOLVED:

The Committee noted the Finance Update report attached at appendix B, to those charged with Governance and passed any comments to the External Auditor.

## **8. Finance Update**

The Director of Finance submitted a report to the Governance and Audit Committee informing of updates including the improvements on accounts at Leicester City Council.

Amy Oliver, Director of Finance, provided an update on the Council's ongoing efforts to enhance financial processes, including continuous training and internal reviews.

- The committee discussed the impact of the recent cyber incident, which has caused delays and may affect the 2023/24 deadlines.
- Emphasis was placed on maintaining strong internal controls and effective governance, particularly considering the challenges to financial sustainability.
- The committee acknowledged the steps being taken to improve these processes and stressed the importance of robust governance and risk management practices.

RESOLVED:

The Governance & Audit Committee noted the report.

## **9. PRIVATE SESSION**

RESOLVED:

That the press and public be excluded during consideration of the following reports in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because they involve the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act, and taking all the circumstances into account, it was considered that the public interest in maintaining the information as exempt outweighed the public interest in disclosing the information.

Paragraph 3 - Information relating to the financial or business affairs of any particular person.(including the authority).

## **10. FUTURE OF THE INTERNAL AUDIT SERVICE**

The Head of Finance submitted a report on the planned changes to the future provision of the Internal Audit Service and work taking place to identify a new provider.



Head of Finance, Colin Sharpe presented the report. Members of the Committee discussed the report and raised a number of points to which officers provided further explanations and assurances. The Chair thanked officers for the report.

AGREED:

1. That the report be noted.
2. That any comments made in the meeting be taken into consideration during future progress on the procurement of a new internal auditor.

#### **11. ANY OTHER URGENT BUSINESS**

There being no further business, the meeting closed at 19:30pm





# ***Health and Safety Performance Report 2023/24***

Date of committee meeting:  
Corporate Management Team: 12<sup>th</sup> June 2024  
(and then onto CMB and the Audit and Risk Committee)

Lead Manager: Victoria Deacon

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## Useful information

- Report author: Victoria Deacon (Corporate Health & Safety Manager)
- Author contact details: 0116 454 4065
- Report version number: V1.0

### 1. Purpose of report

- 1.1 To provide performance information on the level of conformance with the approved corporate health and safety management standards for the period 1<sup>st</sup> April, 2023 – March 31<sup>st</sup>, 2024.
- 1.2 To provide information from both active and reactive health and safety performance measuring over the reporting period.
- 1.3 To provide information relating to occupational health.
- 1.4 To recommend and advise on areas of focus as part of continuous improvement in health and safety management.

### 2. Conformance with Health & Safety Management Standards

2.1 This report covers the second year where a new method of conducting the annual corporate health and safety audit program has been deployed. This has allowed for corporate H&S performance for the previous reporting year 22/23 to be compared to the reporting year 23/24 and progress tracked.

2.2 Throughout the reporting period the corporate health and safety team have continued to act as competent advisor to the organisation in relation to health and safety compliance and best practice. The provision of this advisory service has been in accordance with the parameters of the agreed health and safety management system. Oversight has been provided by CMT who have monitored health and safety performance during the period.

2.3 The health and safety team completed all the audits requested by Directors except for Children's Social Care where it was agreed to examine nominated services in the first quarter of 24/25 following business continuity constraints in March 24 as a result of the cyber-attack.

2.4 The health and safety team completed a total of 110 audits in the reporting period, 105 standard service audits and 5 divisional. 28 audits were follow up audits where services failed to achieve 85% or above in 22/23. Overall, there was a 24% increase in audits undertaken compared to the previous year.

#### 2.5 Corporate Performance Measurement Criteria

2.5.1 Every service must legally assess the risk on safety and health for work they undertake. They must also provide information, instruction, and training on those risks and the measures in place to control them so far as is reasonably practicable.

2.5.2 Risk assessment and training were mandatory RCPIs because suitability and sufficiency of risk assessments and training programs are a primary focus for HSE when determining if a material breach of the health and safety regulations has occurred.

2.5.3 All other RCPIs were selected by services based on their own risk profiles. For example, every service was assessed on risk assessment conformance due to their importance but not every service was assessed for conformance to the management of asbestos as this would not be a significant risk for that service and therefore a viable subject for audit.

2.5.4 Selections were made with support from a health and safety advisor and were based on service activity and risk profile rather than areas the service was best at. Therefore, each sample (or service audited) score is recorded in a scoring matrix (dashboard) with the total number averaged to arrive at a corporate percentage score for that RCPI.

2.5.5 The findings are expressed as a percentage allowing for easy communication of results with the audited service, providing a useful performance indicator for benchmarking and also a baseline from which to monitor continuous improvement.

2.5.6 Corporate Performance is an averaged score for performance across the RCPI by the services who selected it as a performance indicator.

2.5.7 An average score of 85% and above is RAG rated as Green and can be seen as providing substantial assurance. 60% to 85% is RAG rated as Amber or partial assurance. 60% and below is RAG rated as Red or requires significant improvement.

## **2.6 Corporate Performance against Safety Management Standards 2023/2024**

**2.6.1 The council has achieved a total Health and Safety Performance Rating of 82% in the 2023/2024 Audit Program. This is an upward improvement of 2% compared to 2022/2023**

## **2.7 Revisit Audits**

2.7.1 Services that scored less than 85% in 22/23 were revisited during the 23/24 program.

2.7.2 Increases in health and safety performance were found in 77% or 21 out of 27 services reaudited.

## **2.8 Divisional Averages**


















2.8.1 In this report for the 23/24 audit program DCPG remains as a division due to when their audits were completed as opposed to the newly formed Corporate Services Division. Sports and Electoral Services are recorded within DCPG.

	Total %	Risk Assess	H&S Training	Lone Working	Violence	Stress	Home Working	DSE	PPE /RPE	Manual Handling
<b>Adults</b>	79%	65%	77%	86%	92%	77%	74%	78%		80%
<b>Children's</b>	67%	51%	63%	77%	79%	51%	79%	78%		
<b>DCPG</b>	83%	72%	75%	88%	88%	64%	70%	100%	60%	68%
<b>Education</b>	79%	74%	75%	82%	91%	76%	79%	92%		57%
<b>EBS</b>	81%	69%	83%	87%	80%	77%	66%	84%	87%	73%
<b>Housing</b>	84%	82%	82%	80%	82%	83%	78%	89%	70%	88%
<b>N&amp;ES</b>	83%	78%	77%	78%	79%	72%	64%	80%	76%	81%
<b>PDT</b>	93%	95%	87%	91%	100%	95%	71%	96%	95%	93%
<b>TCII</b>	90%	85%	85%	89%	91%	89%	88%			85%

2.8.2 The biggest improvements in divisional performance were within Adult Social Care whose overall performance increased by 20%.

## 2.9 Corporate Performance against RCPIs 23/24 compared to 22/23

RCPI	Corporate Performance 22/23	No of Audits	Corporate Performance 23/24	No of Audits	Hazard Category	Trend	% Difference
Risk Assessment	69%	85	77%	105	Organisational	↑	8%
Training	72%	85	79%	105	Organisational	↑	7%
Manual Handling	80%	34	81%	43	Health	↑	1%
DSE	81%	51	86%	62	Health	↑	5%
Stress at Work	68%	55	77%	65	Psychosocial	↑	11%
Lone Working	86%	59	82%	79	Psychosocial	↓	4%
Workplace Violence	79%	36	86%	47	Psychosocial	↑	7%
Home Working	67%	48	74%	53	Psychosocial	↑	7%
PPE/RPE	83%	27	81%	31	Safety/ Health	↓	2%
Asbestos	93%	12	91%	15	Health	↓	2%
Contractor Management	95%	24	97%	32	Organisational	↑	2%
Electricity	90%	11	91%	9	Safety	↑	1%

Fire Safety (Hard FM)	89%	34	93%	32	Safety		4%
Fire Safety (Soft FM)	80%	28	77%	38	Safety		3%
First Aid	86%	31	90%	43	Health		4%
Gas Safety	97%	5	85%	4	Safety		12%
COSHH	86%	27	88%	34	Health		2%
Health Surveillance	94%	6	98%	6	Health		4%
Lifts/Lifting Equipment	87%	14	83%	13	Safety		4%
Noise	76%	5	77%	8	Health		3%
ORR (own vehicles)	78%	20	84%	27	Safety		6%
ORR (fleet drivers)	95%	18	90%	15	Safety		5%
Transport Management (Depots)	89%	6	75%	5	Safety		14%
Stores	64%	6	89%	5	Safety		25%
Vibration	66%	7	80%	7	Health		14%
Water Hygiene	80%	22	84%	36	Health		4%
Work at Height	91%	14	88%	13	Safety		3%
PUWER	83%	11	88%	10	Safety		5%
Workplace	92%	18	95%	22	Safety		3%

2.9.1 Corporately performance against the risk assessment safety management standard has risen from 69% to 77%. Individual competency to complete risk assessments as demonstrated by training records remains an area for significant improvement rising by 2% to 60% overall.

2.9.2 Corporately there has been an improvement in each criterion relating to Health and Safety Training with a 7% improvement overall rising from 72% to 79%. Although rising from 49% to 68% manager health and safety training remains the biggest area for continuing focus in relation to health and safety training performance.

2.9.3 Performance against the management of work-related violence management standard has increased from 79% to 86%.

2.9.4 Performance against stress management standards has increased by 11% from 66% to 77%. The biggest area for improvement against this standard is for managers to complete a stress for managers training course. Vivup have been delivering this course on behalf of the council since September 2023 and so it is expected this criterion will improve further in 24/25.

2.9.5 Performance against the manual handling SMS increased a fraction from 80% to 81%. Training for those carrying out manual handling risk assessments remains the biggest area for improvement.

2.9.6 Lone worker and personal safety performance dropped by 4% to 82% overall. Key areas were written lone worker procedures and information provision to staff who lone work. By contrast improvements were noted in manager and staff feedback mechanisms such as 1-1s and staff meetings where lone working and personal safety was discussed rising from 84% to 91%.

2.9.7 Homeworking performance increased from 67% to 74% with the biggest area for improvement being the completion of home working risk assessments for those who regularly work from home.

2.9.8 DSE performance rose from 78% to 86% the most notable improvements being in the number of staff completing a DSE assessment and DSE training.

2.9.9 Performance against the workplace safety management standard remains high at 95% with the one area for improvement being documented snow and ice risk assessments where required.

2.9.10 Water Hygiene performance was measured at 84% in the workplaces assessed in the program. Areas noted for improvement was for high-risk remedial actions on water hygiene management surveys to be progressed. This area showed a marginal increase from 52% to 54% but remains the most significant area for improvement against the SMS.

2.9.11 Occupational Road Risk for grey fleet rose from 73% to 84% with an area for improvement being information on how to perform a pre use vehicle check when using an LCC owned pool car.

2.9.12 Evidencing vehicle checks on LCC fleet vehicles along with evidence of driver refresher training (CPC) saw a decrease this reporting period meaning ORR fleet vehicles decreased by 6% overall.

2.9.13 Fire Safety Management (soft FM) performance fell to 77% with the key areas for improvement centred around site specific risk assessments and evac chair training.

2.9.14 In terms of items with regulatory priority on the HSE's strategic plan management of Asbestos where assessed decreased from 93% to 91% primarily as associated with lack of asbestos awareness training.

2.9.15 Management of transport risks within LCC depots dropped by 14%. The audits found separation of pedestrians and moving transport activities was the biggest area where



improvements were required along with appropriate signage. Managing transport risks is a HSE priority activity and improvements in these areas should be prioritised.

2.9.16 Where assessed work at height performance decreased from 91% to 88% with ladder training dropping from 89% to 76% affecting the overall percentage score for the RCPI.

2.10 A clear action plan for improvement is provided at the end of a corporate audit to each lead manager. It is the head of service who is responsible under the management system to ensure these action plans are implemented. Once the actions are implemented and resolved, there should be a measurable improvement for that service in performance over the next reporting period.

2.11 Of the services that had a repeat audit there was progress evidenced in 88% of cases. This indicates that services who take accountability for the actions demonstrate improvement in their management of health and safety risks.

2.12 Although RCPI performance against the standards has increased in the majority of areas, but reductions in some areas have translated to an overall corporate improvement of 2% in the reporting period. Provision of information, instruction and training is the biggest area of improvement currently holding back the overall corporate performance average.

2.13 Accountability for completing identified audit actions across all services and divisions will ensure performance improvement in the next reporting period. This will require heads of service taking responsibility for driving health and safety performance in alignment with their responsibilities under the health and safety management system.

### **Active Monitoring Summary of Recommendations**

The corporate audit findings provide a position statement from which to improve safety and health performance.

1. It is recommended that Risk Assessment and Health and Safety Training Attendance and recording remain two areas of focus in the coming 12 months. Key areas for improvement being;
  - Health and Safety for Manager's Training
  - Risk Assessment for Manager's Training.
  - Manual Handling Risk Assessment Training
  - Stress and Resilience for Managers Training

The above training courses are available for booking on ESS.

2. Addressing identified weaknesses in core areas of compliance such as fire management (soft FM), gas and lifts and lifting equipment all of which come with their own set of safety regulations should be addressed as priority. Again, the primary focus being on documented site-specific procedures, training and information being provided to employees.
3. Continuing to implement safety management standards in relation to manual handling and controlling risks through risk assessment, process design and training should remain a

corporate focus. Taking opportunities to promote physical and mental health support and initiatives with an aging workforce can help reduce the likelihood of musculoskeletal injury and ill health as well as severity of injury should one occur.

4. Lone working and personal safety should be an area of corporate focus for the coming 12 months. Ensuring all lone workers are provided with information, instruction and training in the risks associated with lone working and how these can be controlled should be a key area of focus along with an assessment of training needs and ensuring all workers are aware of wrap around support available to them such as 1-1s with managers, peer to peer support, and health and wellbeing resources.
5. Integrating the 2024 healthy workplace survey results to the delivery of the health and safety management standards in relation to home working, lone working, violence and personal safety and stress is an opportunity to align these processes into an integrated risk management system for psychological safety.

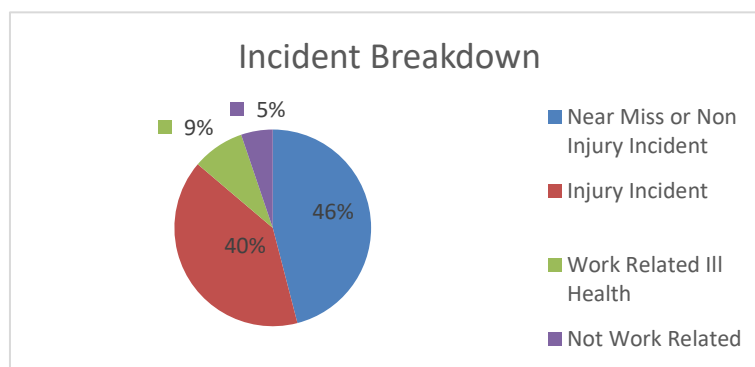
## Reactive Performance Measurement

### 3. Accident and Injuries

3.1 A total 1349 incidents were reported on the Alcumus S02 reporting system relating to council operations and activities in the reporting period. This is down from 1433 in 22/23 and 1497 in 21/22. This represents an annual 9.4% decrease in incidents since 21/22.

3.1.1 The HR absence dashboard records 273 days lost to work accidents in the reporting period at a cost of £31,611.

3.2 Breakdown of H&S Incident Reports 23/24 reported by employees.



3.2.1. Breakdown of incidents involving employees in the period is as below;

- 302 injury incidents reported by employees.
- 353 Near miss or non-injury incidents
- 66 reports of work related ill health

3.3 Reported injuries to employees measured broadly flat with a marginal increase of 1% from 297 to 302 reports in the previous period.

3.4 Reported incidents of musculoskeletal injury are down by 15%.

3.5 Incidents recorded as violence are down by 8% compared to 22/23 and 21% compared to 21/22.

3.6 Reports of verbal abuse 'injury' incidents reduced by 50% since 21/22 and 39% since 22/23. However as per 4.1.2. below 39% of all near miss reports are relating to situations involving conflict. This suggests incidents could be being recorded differently on the system rather than an overall improvement trend for public facing employees.

3.7 There were 66 reports of work related ill health of which 26% were for stress, a total of 17 individual reports. 30 incidents were reported without cause being inputted and therefore causation cannot be reported on.

3.8 HSE report 49% of work related ill health in England and Wales is due to stress, anxiety or depression. Industries with higher than average rates of work-related stress, depression or anxiety are human health/social work, public administration/defence and education. Incidences of work related stress in human health/social work are 50% higher than the national average across all industries and for public administration workers the rate is 40% higher.

3.9 Injuries to employees can be broken down into causation categories with the top causes of injury classified as below;

- 18% Manual handling injury
- 18% Slips, trips and falls
- 12% Struck by a moving object
- 9% Supported Person Attack (Children)
- 7% Struck by Something Fixed
- 5% Member of Public Attack

3.9.1 HSE statistics for 2022/2023 show that across industry the top 5 causes of injury to workers in England & Wales were as below

- 32% Slips, trips & falls
- 17% Handling, lifting or carrying
- 11% Struck by a moving object
- 24% Acts of Violence (in public administration/defence)
- 8% Falls from Height

3.9.2 These figures show the council to be slightly higher with reports of manual handling injuries, but significantly below national rates with slips, trips and falls.

3.9.10 The council's reporting breaks down acts of violence into those involving a person drawing on our support and a member of the public attack. If these were to be combined, they would constitute 10% less than the percentage reported by HSE for 2022/2023 across for public administration and defence. HSE estimate where acts of violence have occurred 24% are in public administration or defence roles, 24% in education and 55% in health and social care.

#### **4. Near Miss Incidents**

4.1 There were 353 Near Miss reports in the period a decrease of 36% compared to the reporting period 22/23 equating to 39% of all reported incidents.

4.2 58% of near miss reports involved conflict situations and were categorised as below.

Near Misses - Conflict	Count
Anti-Social Behaviour	76
Challenging Behaviour	45
Verbal abuse	32
Threats of harm to individual/s	27
Racial/sexual harassment	5
Physical Violence	5
Offensive Weapon Used	4
Physical Abuse	4
Emotional abuse	2
Violent incident involving an animal	1
Sexually inappropriate	1
Dangerous animals	1
<b>Grand Total</b>	<b>203</b>

4.3 40% of near miss reports were recorded as not violent situations with recorded categories;

- Slips, trips, falls
- Manual handling
- Struck by moving object
- Exposure to hazardous substances

### Near Miss Summary of Recommendations

1. Near miss reports provide valuable insights into hazards workers are exposed to during their work and present opportunities to review risk assessments, training and equipment provision. These are proactive and preventative measures services can take to reduce health and safety risk and are indicative of a mature health and safety culture. It is recommended near miss reporting should continue to be encouraged investigated and trends acted upon as part of a culture of continuous improvement.
2. It is recommended that where a near miss is reported causation is also inputted into the system to allow for greater insight into trends.
3. It is recommended that training and support provision for workplace exposure to violence and aggression is reviewed across the authority. Provision should be informed by role based risk assessments that take into account psychosocial risk of exposure to threats and aggression, as well as conflict management techniques and building personal resilience.

## 5 S03 Investigations

5.1 Corporate health and safety have adopted the recommendations of HSG245 Investigating Accidents and Incidents when developing the council's internal investigation procedures.

5.2 HSG245 categorises investigations into low, medium and high level. A high-level investigation is conducted as part of risk management in conjunction with Insurance Services.

5.3 Low level S02 investigations are conducted by the manager of the service where the accident occurred and are recorded and signed off as complete on the alucmus reporting system. Information is shared regularly with senior managers on the timeliness of completion of S02 investigations.

5.4 Medium level investigations (SO3) are conducted by the corporate health and safety team in coordination with the manager and head of service. All S03 investigations result in a written report and action plan and are concluded as far as possible prior to submitting a RIDDOR report to HSE. This allows for a more comprehensive, fact based RIDDOR report which already identifies root cause and can report on corrective actions implemented or underway.

5.5 The corporate health and safety team conducted 27 SO3 investigations in the reporting period up from 21 in the previous period.

5.5.1 22 SO3 action plans have been closed.

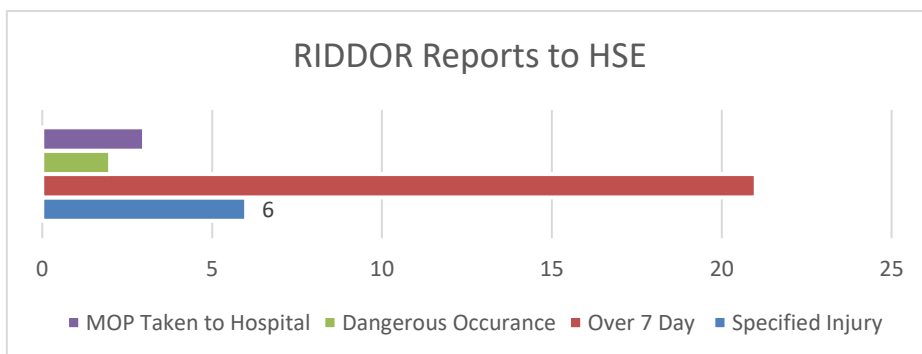
5.5.2 5 further outstanding SO3s are progressing in line with expectations.

5.6 SO3 investigations were carried out in the following departments.

- 7 Housing
- 2 Planning, Development & Transportation
- 6 N&ES
- 4 DCPG
- 2 Adult Social Care
- 3 Children's Social Care
- 1 EBS
- 2 TCII

## 6. Reportable Incidents under RIDDOR

6.1 A total of 32 incidents were reported to HSE under RIDDOR in the reporting period.



- 6.1.1 6 reports were for specified injuries, all relating to bone fractures.
- 6.1.2 2 dangerous occurrences relating to ceiling tracking hoists.
- 6.1.3 21 incidents were reported relating to injuries at work that resulted in over 7-day absences. 20 cases related to manual handling injuries and 1 resulting from violence.
- 6.1.4 2 reports relating to members of the public being taken directly to hospital for treatment as a result of an accident on LCC controlled premises.
- 6.2 There has been no HSE interventions or enforcement action in the reporting period.

## **7.0 Corrective and Preventative Action Notices**

7.1 A corrective and preventative action notice (CAPA) is issued by the corporate health and safety team where an uncontrolled hazard is observed, a non-compliance is observed or if the health and safety advisor is of the reasonable belief that written over verbal advice is warranted in the circumstances.

7.2 The corporate health and safety team have aligned their processes to the HSE enforcement management model (EMM). This is the HSE's procedure for issuing improvement notices. A CAPA therefore can be regarded as an internal improvement notice.

7.3 CAPA notices are issued with a clear statement as to the breach, the requirements of the regulations relating to the breach and an advisory action plan for correction or improvement.

7.4 There have been 17 CAPA notices issued in total since the introduction of the procedure in November 2021. 3 CAPA notices were issued in the reporting period.

7.4.1 Of the 3 issued in the reporting period 1 has been closed as all actions have been satisfactorily addressed. 2 remain outstanding.

7.4.2 Of the total 17 issued, 5 remain open.

7.5 Compared to reactive actions taken following an injury or reportable incident, these findings suggest services are less responsive to taking preventative, proactive measures. This is an area of opportunity for the council to improve by further embedding a proactive, preventative health and safety culture.

## **Reactive Monitoring Summary of Recommendations**

1. Verbal abuse, threats and aggression although classed as near misses on the council's reporting system can result in psychological injury to individuals who receive them. It is recommended that services continue to monitor these incidents and review training and support arrangements for employees where this is a risk. Training should have an emphasis on interpersonal skills and techniques when dealing with conflict and difficult situations which could escalate into physical violence.

2. It is recommended that areas who recognise workplace violence as a key risk to employees manage that risk in accordance with the agreed safety management standard. Improvement actions pertaining to the management of workplace violence and verbal abuse should be a primary focus when prioritising audit actions. Services should review their risk assessments and training in line with types of incidents reported by front line workers.
3. It is recommended that services continue to focus on manual handling risk assessment and the prevention of work-related musculoskeletal injuries including the potential risk of injury from use of display screen equipment. Despite clear improvements Manual handling injury caused by moving and lifting remains the joint largest reported injury category for the council at 18% and constitutes 63% of all RIDDOR reports to HSE. Last year this resulted in 20 over 7-day injuries. It constitutes the most significant avoidable financial cost to the organisation.
4. It is recommended that CAPA notices and the associated preventative recommendations are noted and prioritised by heads of service. They are an internal version of a regulatory improvement notice and therefore an opportunity to prevent accident, loss and injury, remedy material breach of health and safety regulations as well as avoid an actual regulatory notice.

## **8.0 Occupational Health**

8.1 772 performance and attendance management referrals have been made in the reporting period.

8.2. 403 employees have been through a health surveillance program which monitor health effects from potential exposure to dust, noise, vibration, and skin irritants or sensitisers.

8.2.1 388 passed the health surveillance monitoring without need for further examination. 15 employees required further testing. 12 recommended interventions were for symptoms of HAVs, where adjustments were recommended. Overall, in 401 cases employees were assessed as being fit to work In 2 cases employees were assessed as being unfit for their current work 1 for Skin and Audio and 1 respiratory.

8.2.2 312 employees underwent a general safety critical medical in the reporting period. General safety critical medicals are given to employees who undertake safety critical tasks e.g. working at height, FLT driving, HGV driving, working in confined spaces, working with gas or electricity.

8.2.3 92% of employees assessed met the required standards, 6.5% were fit with recommended adjustments and 1.5% totalling 4 employees were found to be unfit to continue safety critical tasks at the time of assessment.

8.3 Optima record health surveillance compliance rates (employees having attended within the recommended timescale from their last assessment in line with risk assessment) as below:

- Highways 100%
- Lighting 100%
- Housing 76.3%
- Parks 97.7%

## 9 Mental Health

9.1 299 referrals made to occupational health were for mental health conditions which equates to 38% of all referrals.

9.2 86% of mental health referrals to occupational health for stress/anxiety/depression with 22% recorded as primarily work related with a further 25% as having work related factors.

9.2.1 In 210 cases (71%) employees were referred after absence had commenced and the average time to refer females was 66 days for work related stress and 87 days where the condition was not work related. The longest referral time was 347 days.

9.2.2 For male employees the average time to refer was 72 days where work was a factor and 76 when not work related. The longest time to refer was 393 days. There were 34 male employees referred for work related conditions and 49 for non-work related.

9.3.3 For both sexes most referrals were for employees between the ages of 40-50 and all were already absent from work.

9.3.4 For all other referrals the average time to refer for an employee absent from work was 108 days.

9.4 To date 2830 employees have registered to use the Vivup portal which allows access to the online EAP which complements the telephone support and counselling service. This is approximately 50% of the workforce.

9.4.1 857 employees used the 24/7 telephone service and 204 employees entered counselling. This equates to 1224 individual counselling sessions.

9.4.2 36% of EAP use was for stress, 20% for anxiety with a further 9% specifically work-related stress.

9.4.3 71% of employees accessing counselling were currently in work, 25% absent from work and 4% were suspended or on a phased return.

9.4.4 71% of employees engaging with the EAP were female and 29% male.

9.4.5 The highest category of workers using counselling define themselves as administration or office workers (20%) the second highest category being support services (18%) and the third being managers (17%)

9.4.6 47% of EAP users reported they have been referred by their manager, a further 9% said they had been referred by human resources. The remainder stating InterFace, referred by a colleague or other advertising.

9.5 The HR absence dashboard estimates 15,005 days lost to mental health related conditions in the reporting period at a cost of £1,920,000.



## **10 Musculoskeletal Conditions**

10.1 210 referrals to occupational health were for musculoskeletal conditions equating to 29% of all referrals. 30% were back related, 20% knee issues and 8% general arthritis.

10.1.2 64% of referrals were for employees already absent from work.

10.1.3 45 referrals were assessed as being work related conditions. All work-related musculoskeletal conditions for female employees who were over the age of 50. The average time to refer was 99 days.

10.2 IPRS hold the contract for musculoskeletal rehabilitation services.

10.2.1 In the reporting period 709 referrals were made to IPRS for musculoskeletal rehabilitation services at a cost of £141,000. This is down from 806 in 22-23 or £159,000.

10.2.2 53 or 6.5% of referrals were for work injuries at a cost of £9,165.

10.2.3 29% of work injuries referring to IPRS were from Housing and 29% from Neighbourhoods & Environmental Services with the remainder broadly split across the other divisions.

10.2.3 311 or 39% of referrals £54,990 was spent on work exacerbated injuries.

10.2.4 There has been a significant overall reduction in work injuries and work-related referrals in the reporting period most notably from Housing. Housing scored 60% in their manual handling audit in 22-23 and 88% in 23-24 highlighting robust application of safety management standards directly reduces the likelihood of workplace injuries.

10.2.5 55% of IPRS referrals were for non-work-related injuries at a cost of £77,550.

10.2.6 345 referrals to IPRS had no work-related factors but any musculoskeletal injury could still influence work performance and sickness absence regardless of origin. 33% of referrals were from Housing, 11% Children's, 11% N&ES and 8% DCPG.

10.2.7 IPRS estimate their services resulted in 3,014 working days saved. They calculate a working day at £80 and estimate £244,000 has been saved in lost working days.

## **11. Absence Dashboard Information**

11.1 The absence dashboard for the reporting period estimates the cost of absence for work related accidents at £31,611.

11.2 Absence costs associated with mental health are estimated to be £1,919,045.

11.3. The costs of absence associated with musculoskeletal health are estimated to be £899,583 for the period.

11.4 These figures do not include associated costs such as insurance costs, occupational health costs, manager admin time and overall loss of productivity within affected services.

Division	Est. Cost			
	Work Accident	Mental Health	Musculoskeletal	Grand Total
Adult Social Care & Commissioning	£ 184.00	£ 122,156.00	£ 12,410.00	£ 134,750.00
Adult Social Care & Safeguarding	£ -	£ 231,902.00	£ 97,852.00	£ 329,754.00
Children's Social Care & Community Safety	£ 12,466.00	£ 269,997.00	£ 78,766.00	£ 361,229.00
City Barrister	£ -	£ 1,219.00	£ 5,203.00	£ 6,422.00
Corporate Services	£ 697.00	£ 51,474.00	£ 32,907.00	£ 85,078.00
EBS	£ 2,643.00	£ 118,230.00	£ 56,408.00	£ 177,281.00
Education	£ 370.00	£ 176,222.00	£ 122,846.00	£ 299,438.00
Finance	£ -	£ 84,081.00	£ 29,834.00	£ 113,915.00
Housing	£ 9,437.00	£ 471,167.00	£ 159,059.00	£ 639,663.00
N&ES	£ 2,565.00	£ 236,020.00	£ 213,372.00	£ 451,957.00
PDT	£ 2,632.00	£ 104,104.00	£ 65,297.00	£ 172,033.00
Public Health	£ -	£ 10,654.00	£ 2,637.00	£ 13,291.00
TCII	£ 617.00	£ 41,819.00	£ 22,992.00	£ 65,428.00
<b>Grand Total</b>	<b>£ 31,611.00</b>	<b>£ 1,919,045.00</b>	<b>£ 899,583.00</b>	<b>£ 2,850,239.00</b>

## Occupational Health Summary of Recommendations

1. It is recommended that services enhance their proactive monitoring of exposure to health hazards such as noise, vibration, and dust as well as fit for task assessments. Where risk assessment determines a frequency of monitoring this should be adhered to so far as reasonably practicable.
2. If there is documented evidence of robust monitoring processes and data from these practices show that employees are not routinely exposed over and above the recommended action values, then the practice of putting all employees through annual health surveillance programs can be examined for practicability and proportionality to risk.
3. It is recommended services continue to promote proactive and preventative support services available to employees e.g., employee assistance program and signpost employees who are showing signs and symptoms of poor mental health to the support available as part of the more comprehensive wellbeing offer particularly in areas with non-office-based workers. Services should use the stress management SMS to assess the risk of stress within their service, and the results of the 2024 healthy workplace survey to analyse potential root cause of work-related stress and take action accordingly.
4. A safety and health focus on manual handling risk assessment, information, training, and performance monitoring in areas where musculoskeletal injuries are assessed as being work related or work exacerbated could be an area of corporate focus.
5. Providing employees with information, instruction, training, and support all present an opportunity to promote good practice, inform behavioural changes, support resilience which can prevent physical and psychological injury both at work and in everyday life.

## 12 Key Priorities and Areas of Organisational Focus for 2023/2024

- 1 It is recommended that Risk Assessment, Managing Health and Safety and Stress for Managers training attendance are areas of focus in the coming 12 months following audit results.
- 2 Further focus on the management of stress at work should remain a corporate priority. Aligning the healthy workplace survey action plans to the delivery of the health and safety management standards relating to home working, lone working, stress should facilitate marked improvement in performance of these areas. Improvements can be measured via engagement surveys, staff retention rates and a reduction in work related stress referrals and absence.
- 3 It is recommended that services who assess workplace violence as a potential risk examine their support offer and training to ensure employees exposed to this risk are best equipped to deal with the challenges of their role. The focus should be on how to avoid conflict, diffusion techniques as well as personal safety. It is recommended that further focus is placed on mechanisms to enhance individual and team resilience for those working in front line public facing roles where verbal abuse, challenging behaviours, anti-social behaviours are known risk factors.
- 4 It is recommended for continued corporate focus on reducing musculoskeletal injury with clear KPIs the organisation can work to. It is recommended that positive, preventative action is taken to reduce injury, and absence related costs caused by poor manual handling, lifting and carrying practices. This can be achieved through education, awareness campaigns, taking personal responsibility for musculoskeletal health as well through improved management of risk by greater adherence to agreed safety management standards.
- 5 Increased focus on promoting good health and positive behaviours can reduce sickness absence and associated costs from both work related and non-work related injury and ill health as well as significantly reduce spend on musculoskeletal rehabilitation and injury services. It is recommended the council continues to promote its health and wellbeing offer with focus on information provision and manager support at all levels of the organisation.
- 6 It is recommended the importance of resolving and actioning CAPA notices is reiterated and heads of services where CAPAs have been issued accept the importance of these actions and are accountable for swift resolution of them as part of robust risk management.
- 7 It is recommended that heads of service are accountable for progressing identified actions for improvement from both reactive and active performance measurement indicators and that directors and CMT continue to monitor progress in performance against the health and safety management standards.

<Ends>



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# **Governance & Audit Annual Report 2023/24**

Governance & Audit Committee

Decision to be taken by:

Date of meeting: 10 July 2024

Lead director: Amy Oliver, Director of Finance

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### **Useful information**

- Ward(s) affected: All
- Report author: Kirsty Cowell
- Author contact details: [kirsty.cowell@leicester.gov.uk](mailto:kirsty.cowell@leicester.gov.uk)
- Report version number: 1

## **1. Summary**

- 1.1 To present to the Council the report of the Governance & Audit Committee setting out the Committee's work and achievements over the municipal year 2023/24.
- 1.2 This report was presented to Committee for approval at its meeting on 10 July 2024.

## **2. Recommended actions/decision**

- 2.1 The Governance & Audit Committee is recommended to approve this report for submission to the Council, subject to any amendments that may be required at the meeting.
- 2.2 Council is recommended to receive this report.

## **3. Scrutiny / stakeholder engagement**

N/A

## **4. Background and options with supporting evidence**

- 4.1 The Committee's terms of reference approved by Council require the submission of an annual report on its activities, conduct, business and effectiveness. The CIPFA\* guidance on Audit Committees states that the audit committee should be held to account on a regular basis by Council, and that the preparation of an annual report can be helpful in this regard.  
*(\* CIPFA – the Chartered Institute of Public Finance and Accountancy).*
- 4.2. Following the Committee's approval, this report will proceed to Council.
- 4.3. The Governance & Audit Committee considered a wide range of business in fulfilment of its central role as part of the Council's system of corporate governance, risk management, fraud and internal control. It conducted its business in an appropriate manner through a programme of meetings and fulfilled the expectations placed upon it. Its membership was expanded to include an external independent member and it benefited from formal training.

## 5. Detailed report

- 5.1 The Committee's terms of reference are regularly reviewed. They formally confer upon it the role of 'the board' for the purposes of the Public Sector Internal Audit Standards, as the recognised professional standards for local authority internal audit. The Standards are the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, interpreted and adopted for local government by CIPFA. Terms of reference for the Governance & Audit Committee were implemented for the 2023/24 municipal year and the Audit and Risk Committee was disbanded.
- 5.2 During the municipal year 2023/24, the Committee met on five occasions. All meetings were properly constituted and quorate. The Committee's terms of reference required it to meet at least four times during the year. The Director of Finance and Head of Finance (Strategy) and Leicestershire County Council's Head of Internal Audit and Assurance Service attended meetings of the Committee. In addition, and in the interests of providing the full range of legal, constitutional and financial advice and expertise, the Committee was supported by the City Barrister & Head of Standards or his representatives.
- 5.3 Due to the cyber incident in March 2024, some reports were delayed until the meeting in April and to this meeting in July. The reports that were delayed are
- Risk management Update Report
  - Statutory Statement of Accounts and Annual Governance Statement 2022/23 and associated External auditor reports.
  - Health & Safety Annual Report 2023/24
  - This report on the Committee's annual work performance
- 5.4 The report on Local Government & Social Care Ombudsman and Housing Ombudsman Complaints 2022/23 & Corporate Complaints (Non Statutory) 2022/23 will come to the committee in September with the 2023/24 year.
- 5.5 The report on cyber security that was on the agenda for the meeting in March 2024 was removed due to the police investigation. A report on the incident is scheduled on the workplan for the September meeting, timing could be amended, as the incident is subject to the continuing police investigation.
- 5.6 The external independent member has attended meetings since September 2022, bringing a fresh perspective and focus, drawing on his skills and experience as a finance professional and his links with the City. The appointment pre-empted expected future national requirements and addressed an external audit recommendation in the 2021/22 value for money assessment. The independent member is however not permitted to vote, by law.
- 5.7 Members will recall the CIPFA publication Audit Committees – Practical Guidance for Local Authorities, providing guidance on function and operation of audit committees. The position statement within the guidance notes "audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management."

- 5.8 Further to this, it notes the purpose of the governance committee is to provide those charged with governance independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes.
- 5.9 It is considered that Governance & Audit Committee continued to meet the requirements for an effective Audit Committee. In summary the reasons for this are:
- The Committee meets regularly, and its chair and membership are sufficiently independent of other functions in the Council. Meetings are conducted constructively and are free and open and are not subject to political influences;
  - The Committee's terms of reference provide a sufficient spread of responsibilities covering internal and external audit, risk management and governance;
  - The Committee plays a sufficient role in the management of Internal Audit, including approval of the audit plan, review of Internal Audit's performance and the outcomes of audit work and management's responses;
  - The Committee received reports from Grant Thornton as the Council's external auditor and maintains an overview of the external audit process, including the fees charged; and
  - The Committee was updated on changes in governance and local authority finances during the year.
- 5.10 It is recognised that Committee members need suitable training. Arrangements continue to be made to provide training on relevant topics. The Committee may also request informal briefings on key topics, for example cyber security and the annual statutory statement of accounts.
- 5.11 Some turnover of membership is inevitable each municipal year, a consequence of the political environment in a local authority. Should this happen, training for new members is offered. The appointment of the independent member for a longer term of office is intended to provide some continuity in this context.
- 5.12 Taking all the above into account, the Committee has continued to make an important contribution to the effectiveness of the City Council's internal control and corporate governance frameworks. It is a central component of the Council's system of internal control.
- 5.13 The key outcomes from the Committee's work included:
- a Internal Audit**
- The Committee considered the Internal Audit annual plans and monitored delivery and outcomes during the year. The Committee also received the Internal Audit annual reports and opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2022/23.
  - The Committee reserves the right to summon relevant officers to attend its meetings to discuss in more depth specific issues raised by Internal Audit reports. This has helped to maintain the profile of the Committee and its role in promoting adherence to procedures and improved internal control.
- b Counter-Fraud**
- The Committee maintained an effective overview of the Council's measures to combat fraud and financial irregularity. Specifically, the Committee:



- Considered counter-fraud reports, which brought together the various strands of counter-fraud work with data on the various types of work carried out by the teams involved.
- Reviewed and supported the Council's participation in the National Fraud Initiative.

#### **c External Audit**

- The Committee considered the external auditor's plans and progress and the outcomes of this work, with particular reference to the annual audit of the Council's statutory financial statements and value for money arrangements.
- The Committee was kept updated on the national issues with local authority accounts and audit, which delayed the finalisation of the Council's statutory statement of accounts. The Committee monitored progress and asked questions about the impact.
- The Committee received the 2022/23 Audit Findings Report at its meeting in April 2024, allowing the Statement of Accounts for 2022/23 to be published with a clean audit report.

#### **d Risk Management**

- The Committee maintained a regular overview of the risk management arrangements. This included the Council's strategic and operational risk registers, identifying potential emerging risks to the Council and its services, together with the Risk Management Strategy and Policy and the Corporate Business Continuity Management Strategy.

#### **e Corporate Governance**

- The Committee fulfilled the responsibilities of 'the board' for the purposes of the City Council's conformance to the Public Sector Internal Audit Standards in terms of overseeing the Council's arrangements for audit, the management of risk and the corporate governance assurance framework.
- The Committee maintained its oversight of the Council's corporate governance arrangements. The Council's updated assurance framework, which maps out the process for collating the various sources of assurance and preparing the Council's statutory Annual Governance Statement, was reviewed and approved by the Committee.
- The Committee approved the Annual Governance Statement for 2022/23.
- This annual report to Council is part of the governance arrangements, through giving a summary of the Committee's work and contribution to the good governance of the City Council and demonstrating the associated accountability.

#### **f Financial reporting**

- The Committee received and approved the Council's statutory Statement of Accounts for 2022/23 and associated external audit reports. It approved the Council's letters of representation, by means of which the City Council gives assurance to the external auditor; there were no significant items that were not reflected in the Council's accounting statements. As noted above, the Committee was kept updated on the delays in finalising the accounts and audit.
- The external auditor's Annual Governance Reports were issued to the Committee as 'those charged with governance' and considered accordingly. In these reports, the auditor confirmed that his audit opinion on the Council's financial statements would be expected to be 'unqualified'.

#### **g Other Work**

During the year the Committee also received updates and reports on the following areas:

- Insurance 2022/23
- Equal pay audit 2022
- Procurement
- Developments in local government finance, audit and governance

#### **5.14 Conclusions**

a The Committee met most of the requirements of its terms of reference as mentioned above and has fulfilled the good practice guidance issued by CIPFA.

b It is the view of the Director of Finance (the s151 officer) that the Governance & Audit Committee made a significant contribution to the good governance of the City Council. Through its work, it has reinforced the Council's systems of internal control and internal audit and has given valuable support to the arrangements for corporate governance, legal compliance and the management of risk.

### **6. Financial, legal, equalities, climate emergency and other implications**

#### 6.1 Financial implications

An adequate and effective Governance & Audit Committee is a central component in the governance and assurance processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity. Its support for the processes of audit and internal control will help the Council as it continues to face the financially challenging times.

#### 6.2 Legal implications

The Governance & Audit Committee aids the fulfilment by the Council of its statutory responsibilities under the Accounts and Audit Regulations 2015 by considering the findings of a review of the effectiveness of the Council's system of internal control. It is an important part of the way in which the duties of the responsible financial officer under s151 of the Local Government Act 1972 are met.

Kevin Carter, Head of Law

#### 6.3 Equalities implications

N/A

#### 6.4 Climate Emergency implications

N/A

6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

<b>OTHER IMPLICATIONS</b>	<b>YES/NO</b>	<b>PARAGRAPH REFERRED</b>
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights / People on low incomes	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

**7. Background information and other papers:**

Agendas and minutes of the Governance & Audit Committee meetings in 2023/24

**8. Summary of appendices:**

N/A

**9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?** No

**10. Is this a “key decision”?** If so, why? No



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## **Annual Report on the 2022/2023 National Fraud Initiative**

Governance and Audit Committee

Date of meeting: 10<sup>th</sup> July 2024

Lead director: Amy Oliver

Director of Finance

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## Useful information

- Ward(s) affected: All Wards
- Report author: Stuart Limb (Corporate Investigation Manager)
- Author contact details: (0116) 454 2615 / 37 2615
- Report version number: Version 1

### 1. Summary

- 1.1 The purpose of this report is to provide an update to the Governance and Audit Committee on the National Fraud Initiative (NFI) exercises currently underway.

### 2. Recommended actions/decision

- 2.1 The Governance and Audit Committee is asked to note the contents of the report and make any comments it deems appropriate.

### 3. Background

- 3.1 There are two separate NFI exercises in which the Authority participates. One involves data matching with external organisations, including other councils and the second involves matching data held within the Council.
- 3.2 Data for the 2022/23 external NFI exercise was submitted to the Cabinet Office in October 2022 and data was available for checking from 29<sup>th</sup> January 2023.

### 4. Detailed report

- 4.1 The Council has participated in the National Fraud Initiative since it was introduced. The exercise has evolved over the years and is now web based and managed by the Cabinet Office. The project involves electronically matching data from numerous sources in order to identify possible fraud or irregularity. This exercise is undertaken every two years.
- 4.2 The Cabinet Office identifies matches and allocates a risk score from 100% on a decreasing order. Officers are expected to examine the high risk matches first on a descending basis. There is no requirement to examine all the remaining matches and officers are encouraged to select a sample where there are large volumes of data for checking.

#### 4.3 Examples of the different matches include:

- Housing Benefit Claimants who are tenants at a different address.
- Housing Benefit claimants who are not entitled to claim because they are in receipt of Student Loans.
- Blue Badge Parking Permits, Concessionary Travel Passes and Private Residential Care Home residents where the individual is recorded as deceased on the Disclosure of Death Registration Information (DDRI) or Department for Work and Pensions (DWP) list of deceased persons.
- Duplicate creditors or duplicate payments to creditors.
- Housing Benefit claimants who also appear on a local authority payroll.
- Council Tax Reduction Scheme to payroll.

4.4 All benefit fraud is investigated by the DWP, however the Cabinet Office still require the authority to undertake an initial check of the Housing Benefit claims before passing the matches to the DWP to investigate.

4.5 Work on the 2022/23 matches is well underway. Nearly 6,000 matches have been checked to date, with no frauds identified. There have been 23 instances of duplicate payments to suppliers totaling £189,000 which have already been recovered in full and previously reported to the Committee last year. The remaining error relates to an undeclared private pension as part of a Council Tax Reduction claim. This has recently been referred to the investigation team to look into further. The progress is summarised in the table:

#### **Matches undertaken by 13<sup>th</sup> June 2024**

Total Matches	Matches Checked	Errors Identified	Frauds Identified	Overpayments Identified
11,920	5,939	3	Nil	£206,784

## **5. Financial, legal, equalities, climate emergency and other implications**

### **5.1 Financial implications**

There are no direct financial implications arising from this report. However, the initiatives described in this report are intended to detect fraud (which is an offence of a financial nature) and error, which cause significant financial loss to the Council.

Colin Sharpe  
Head of Finance

## 5.2 Legal implications

Fraud is a criminal offence and therefore represents breach of the law. Other forms of financial irregularity, though not criminal, may be in breach of regulation. The conduct of counter-fraud work of all kinds is bound by law and regulation and the Council is careful to ensure that its activities in this area are properly discharged.

Kamal Adatia  
City Barrister & Head of Standards

## 5.3 Equalities implications

The report provides an update on the National Fraud Initiative (NFI) exercises currently underway. The NFI, conducted by the Cabinet Office, involves data matching to help in the prevention and detection of fraud.

There are no direct equality implications arising from the report.

The data matching can identify inconsistencies that require further investigation and allows potentially fraudulent claims and payments to be identified. No assumption can be made as to whether there is fraud, error or another explanation until the investigation process is completed.

Surinder Singh, Equalities Officer

## 5.4 Climate Emergency implications

This report does not contain any significant climate emergency implications.

Duncan Bell  
Climate Change Manager



5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	<b>No</b>	
Policy	<b>No</b>	
Sustainable and Environmental	<b>No</b>	
Crime and Disorder	<b>Yes</b>	Whole report
Human Rights Act	<b>No</b>	
Elderly/People on Low Income	<b>No</b>	
Corporate Parenting	<b>No</b>	
Health Inequalities Impact	<b>No</b>	
Risk Management	<b>Yes</b>	This report is concerned with the prevention, detection and sanctioning of fraud. Fraud is one of the risks faced by the Council

**6. Background information and other papers:**

None – Information on the National Fraud Initiative is available at <https://www.gov.uk/government/collections/national-fraud-initiative>

**7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

**No**

**8. Is this a “key decision”?**

**No**



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## **Counter Fraud Annual Report 2023/2024**

Governance and Audit Committee

Date of meeting: 10<sup>th</sup> July 2024

Lead director: Amy Oliver

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## **Useful information**

- Ward(s) affected: All Wards
- Report author: Stuart Limb (Corporate Investigation Manager)
- Author contact details: (0116) 454 2615 / 37 2615 [stuart.limb@leicester.gov.uk](mailto:stuart.limb@leicester.gov.uk)
- Report version number: Version 1

## **1. Summary**

- 1.1 The purpose of this report is to inform the Committee of the work carried out by the Corporate Investigations Team during 2023/24.

## **2. Recommendations**

The Governance and Audit Committee is recommended to:

- a) Receive and comment on the report.
- b) Make any recommendations it sees fit to the Executive and/or the Director of Finance.

## **3. Background**

- 3.1 This report includes statistical information on fraud cases identified, referred and, where appropriate, investigated by the Corporate Investigations Team.
- 3.2 As part of its work, the Corporate Investigations Team investigates suspected financial irregularities and makes recommendations to reduce the risk of further losses and improve performance, efficiency, effectiveness and economy in the use of resources by the Council.

## **4. Detailed report**

- 4.1 The work of the Corporate Investigations Team includes proactive data matching (such as Right to Buy applications) and reactive referrals received relating to suspected financial irregularities. These two work types cover the majority of activity.
- 4.2 The work to conduct background checks on every Right to Buy application on council homes remains a key objective to ensure that the purchases are valid. This includes checks to ensure the tenant is still resident and the source of the funding to purchase the property is legitimate and evidenced. Where irregularities or concerns are raised, the issues are addressed with Legal Services and the Right to Buy Team. This not only identifies irregularities that may prevent a sale, but also provides a higher level of assurance for those sales that do proceed. The assessed savings in 2023/24 from the loss of rents had invalid sales proceeded was £317,000.

- 4.3 The Team undertakes an annual review of empty residential properties to ensure that the council tax discounts awarded are correct. Where a property is identified as being occupied the account is corrected and recovery of the council tax owing is pursued. Together with related checks such as single person discount, in-year savings in 2023/24 of £14,500 were made.
- 4.4 The Team works in close partnership with the school admissions section to validate the details submitted in the applications for school places. The validation checks that the data submitted is correct and that the school places allocated are valid. This is to ensure that those children who are allocated a school place are based on their correct address.
- 4.5 The Team also works to ensure that tenancies of council houses remain in the possession of the named tenant and are not either sublet or left empty. As part of this work, the Team identified properties where the tenant had parted with possession and subsequently the tenancy was ended and brought back into proper occupation by those in genuine need of council accommodation. The assessed savings in 2023/24 was £39,000.
- 4.6 The team lost 2 investigators during quarter 4 of the year and recruitment is currently underway to bring the team back to full complement. The work of the team was presented to Heads of Service and Directors at one of their regular meetings and also the schools across the city have received a presentation about the work of the team.
- 4.7 The team also undertook a proactive data matching exercise and reviewed 48 businesses who were in receipt of Small Business Rate Relief (SBRR). From these suspected irregularities 12 accounts were found to no longer be entitled to the relief. This resulted in revised bills being issued for a further £76,000 for business rates.
- 4.8 The combined loss avoidance and income generated from savings in 2023/24, including the above, was assessed as £650,000 for the year.
- 4.9 The National Fraud Initiative (NFI) matches were released to the Council in late January 2023, and formed part of the Team's work programme in 2023/24. The data matches have been shared with departments to work through to identify any potential irregularities. Any suspected frauds will be referred back to the Team for investigation. Progress on the matches will be reported in due course.
- 4.10 The Council continues to benefit from membership of the National Anti-Fraud Network (NAFN), which alerts member authorities to the latest phishing emails and frauds. These alerts are shared across the Council to ensure awareness is raised and efforts to prevent attempted fraud are enhanced. They are an excellent fraud prevention tool as they help to ensure new emerging risks nationally are highlighted.
- 4.11 The Corporate Investigation Manager considers management requests for access to the records of employees' emails, internet access, computers and the building access system (which gives staff access to Council buildings). Supported requests are then presented to the Director of Finance for authorisation. The majority of requests were for information from more than one system and some requests were for information relating to a number of users. During 2023/2024, some 28 requests were received and processed in accordance with internal policy and national legislation.

4.12 Statistical information on service demand and associated activity for the first half year 2023/24 is detailed in the table.

	2023/2024
Registered	300
Screened out (not suitable for investigation)	167
Investigations In Progress at end 23/24	83
Cautions Accepted	0
Administrative Penalties Accepted	1
Prosecutions - Successful (Guilty)	4
Total files with Solicitors	6

## 5. Financial, legal and other implications

### 5.1 Financial implications

Fraud can cause the Council significant loss; hence activity to prevent and detect fraud is a clear financial investment and a key component of good financial control and governance.

Colin Sharpe, Head of Finance

### 5.2 Legal implications

Fraud is a criminal offence and therefore represents breach of the law. Other forms of financial irregularity, though not criminal, may be in breach of regulation. The conduct of counter-fraud work of all kinds is bound by law and regulation and the Council is careful to ensure that its activities in this area are properly discharged.

Kamal Adatia, City Barrister & Head of Standards

### 5.3 Equalities implications

The report provides an annual update to the Governance and Audit committee on the work carried out by the Corporate Investigations Team.

There are no significant equality and diversity implications arising from the report.

Surinder Singh, Equalities Officer

### 5.4 Climate Emergency implications

This report does not contain any significant climate emergency implications.

### 5.5 Other implications

None

**6. Background information and other papers:**

- Local Government Act 1972
- Leicester City Council's Anti-Fraud, Bribery and Corruption Policy
- Leicester City Council's Finance Procedure Rules
- Leicester City Council's Constitution
- Leicester City Council's Code of Conduct for Behaviour at Work
- Leicester City Council's Information Security Policy Statement
- Leicester City Council's Prosecutions Policy
- Leicester City Council's Investigators Code of Conduct
  
- Public Bodies Corrupt Practices Act 1889
- Chartered Institute of Public Finance & Accountancy (CIPFA) publication *Managing The Risk of Fraud*
  
- The Prevention of Social Housing Fraud Act 2013

**7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

**No**

**8. Is this a "key decision"?**

**No**





# Item 8



**Leicester City Council Governance & Audit Committee**  
**10<sup>th</sup> July 2024**

**Report of Leicestershire County Council's**  
**Head of Internal Audit & Assurance Service**

**Progress against Internal Audit Plans, the outcome of an external**  
**quality assessment of Leicestershire County Council's Internal Audit**  
**Service and the Internal Audit Annual Report 2023-24**

**Purpose of Report**

1. The purpose of this report is to provide:
  - a. **Part 1:** Summary of progress against the 2023-24 and prior year Internal Audit Plans including:
    - i. summary information on progress with implementing high importance recommendations.
    - ii. summary of progress against the Internal Audit Plans, includes work undertaken in 2024-25.
    - iii. commentary on the progress and resources used.
    - iv. outcome of the independent external quality assessment of Leicestershire County Council's Internal Audit Service.
  - b. **Part 2:** An annual report on internal audit work conducted during 2023-24 containing information on the internal audit function's conformance to professional standards, which provides an insight into its effectiveness.

**Recommendation**

2. That the contents of the report be noted.

**Background**

3. The Council's internal audit function was delegated to Leicestershire County Council in 2017.

4. Within its Terms of Reference, the Governance & Audit Committee (the Committee) has a duty to receive regular reports on progress against the internal audit plan, containing activity undertaken, summaries of key findings, issues of concern and action in hand. The Committee also has a duty to review and approve the Head of Internal Audit Service's annual report containing an opinion on the overall adequacy and effectiveness of the Council's control environment, and conformance to the Public Sector Internal Audit Standards (the PSIAS)
5. Most planned audits undertaken are 'assurance' type, which requires undertaking an objective examination of evidence to reach an independent opinion on whether risk is being mitigated. For these audits an assurance level is given as to whether material risks are being managed. There are four levels: full; substantial; partial; and little.
6. 'Partial' ratings are normally given when the auditor has reported to management at least one high importance (HI) recommendation. A HI recommendation denotes that there is either an absence of control or evidence that a designated control is not being operated and as such the system is open to material risk exposure. It is particularly important therefore that management quickly addresses those recommendations denoted as HI and implements an agreed action plan without delay. HI's are reported to this Committee and a follow up audit occurs to confirm action has been implemented. Occasionally, the auditor might report several recommendations that individually are not graded high importance but collectively would require a targeted follow up to ensure improvements have been made.
7. Other planned audits are 'consulting' type, which are primarily advisory and guidance to management. These add value, for example, by commenting on the effectiveness of controls designed before implementing a new system.
8. Grants and other returns are audited, but because these are specific or focused reviews of certain aspects of a process in these cases it is not appropriate to give an assurance level. When they are completed, 'certified' is recorded.
9. Follow up audits relating to testing whether recommendations have been implemented from previous years' audits are undertaken. With this type, assurance levels aren't given because not all of the system is being tested. However, the Head of Internal Audit Service (HoIAS) forms a view on whether the situation has improved since the original audit and that is listed.
10. Also within its Terms of Reference, the Committee has a duty to contribute to and support an external quality assessment of the internal audit function which is a requirement of the Public Sector Internal Audit Standards (PSIAS) to take place at least once every five years.

## **Progress with implementing high importance recommendations**

11. The Committee is tasked with monitoring the implementation of high importance (HI) recommendations which primarily lead to low assurance levels. **Appendix 1** provides a short summary of the issues and the associated recommendations. The relevant manager's agreement (or otherwise) to implementing the recommendation(s) and the implementation timescale is also shown. Recommendations that have not been reported to the Committee before or where some update has occurred to a previously reported recommendation are shown in **bold font**. Entries remain on the list until the HoIAS has confirmed (by gaining sufficient evidence or even specific re-testing by an auditor) that action has been implemented.
12. At the end of the year, as part of the process of determining his annual opinion, the HoIAS takes account of how management has responded to implementing high importance recommendations. Responses are generally positive however there is recognition that some recommendations do require more time to fully implement.

To summarise movements within Appendix 1 as at 14<sup>th</sup> June 2024.

- a. New
  - i. Contract Monitoring
  - ii. Fleet Services Invoice Payments
  - iii. Catherine Infant School
  - iv. Dovelands Primary School
  
- b. Ongoing/extended (date initially reported & number of extensions granted)
  - i. Key ICT Controls 2020-21 (September 2022 - 5)
  - ii. Direct Payments (November 2022 - 3)
  - iii. Herrick Primary School (March 24 – 1)
  
- c. Closed (date initially reported to Committee)
  - i. CCTV (July 2023 – 2)
  - ii. Catherine Infant School (July 2024)
  - iii. Spinney Hill Primary School (March 24 – 1)

**Part 1:**  
**Summary of progress 31<sup>st</sup> May 2024**

13. **Appendix 2** reports on the position at 31<sup>st</sup> May 2024. The most recent status is shown in **bold font**. The summary position (with comparison to the previous position at 31<sup>st</sup> January 2024) is:

	<b>2023-24 (&amp; prior year) @ 31/01/2024</b>	<b>2023-24 (&amp; prior year) @ 31/05/2024</b>
<b>Outcomes</b>		
High(er) Assurance levels	<b>14</b>	<b>25</b>
Low(er) Assurance levels	<b>2</b>	<b>6</b>
Advisory	<b>6</b>	<b>7</b>
Grants/other certifications	<b>14</b>	<b>17</b>
HI follow ups – completed	<b>3</b>	<b>6</b>
<b>Audits finalised</b>	<b>39</b>	<b>61</b>
Audits in progress	<b>40</b>	<b>14</b>
HI follow ups – in progress	<b>5</b>	<b>6</b>
Not yet started	<b>2</b>	<b>0</b>
Deferred /Cancelled	<b>8</b>	<b>19</b>
2024-25 Audits in progress		<b>7</b>

**Summary of resources used in 2023-24 (as of 31<sup>st</sup> March 24)**

14. To close off prior year audits, progress 2023-24 audits (reported in Appendix 2), and provide additional work relating to requirements such as planning, reporting to Committees etc, at 31<sup>st</sup> March 2024; Leicester City Council had received 869 days of internal audit input (see below table).

	<b>@31/03/2024</b>	<b>@ 31/03/2024</b>
<b>By type</b>	<b>Days</b>	<b>%</b>
Relating to prior years audits (*)	108	12%
Relating to audits started 2023-24	673	78%
<b>Sub-total audits</b>	<b>781</b>	<b>90%</b>
Client management	88	10%
<b>Total</b>	<b>869</b>	<b>100%</b>
<b>By position</b>		
HolAS	30	3%
Audit Manager	158	18%
Audit Senior (incl. ICT)	352	41%
Auditor	329	38%
<b>Total</b>	<b>869</b>	<b>100%</b>

(\*) These days were utilised either concluding previous years audits or following up on the progress made with implementing audit recommendations where low assurance levels had been reported.

## **Commentary on progress and resources used**

15. There has been a stable audit team throughout the year which has ensured good progression of planned and other commissioned audits. The major cyber incident in early March resulted in the City Council having to shut down some systems whilst the cyber incident was investigated. During this period Internal Audit continued to complete audit work whilst being sensitive to the issues being encountered; however, this incident resulted in delays to the progression of some audits. The position was closely monitored by the Head of Internal Audit Service (HoIAS) and the Head of Finance to ensure audits progressed and there continued to be adequate coverage of audits to allow the HoIAS to form his end of year opinion on the Council's control environment. The Head of Finance has continued to assist where delays have been encountered in audits. An important scheduled audit of key ICT controls (including a follow up on the cyber security audit undertaken in 2022-23), was not able to be undertaken due to the cyber incident; therefore, Internal Audit assurance could not be given that there was not material risk exposure. Independent assurance will need to be gained once the incident is concluded.

The Council has received 869 days of audit input, which exceeds the delegation target of 800 days. Of the 869 days, over 60% of this input was from senior members of audit team.

Good progress is being made to close off any remaining prior year audits; in addition, Internal Audit are working on other audits agreed by the Head of Finance, some of these include audits deferred from prior year, schools' audits and grant certification which have set deadlines. Auditors are continuing to follow-up High Importance recommendations; management have responded positively to audit recommendations including follow-ups, which has resulted in three follow-up audits being closed during this period.

### **External Quality Assessment**

16. A requirement of the PSIAS is that an assessment of the internal audit function's overall conformance with the Standards is conducted once every five years by a qualified, independent assessor, or assessment team from outside the organisation.

17. At its meeting on 13 March 2024, the Committee was informed that LCCIAS had commissioned Robin Pritchard, a very experienced internal audit and risk professional, to undertake an EQA by March 2024. The assessment would be based upon a review (validation) of an evidenced internal self-assessment exercise was to be undertaken remotely and conducted in two stages with a readiness check towards the end of January before a final and full report in March/April (to be reported to the Governance and Audit Committee at its meeting in July 2024).

18. The assessor produced their final report in early May. It states: -

***The Leicestershire County Council internal audit service is delivering to a standard that generally conforms (\*) with the Public Sector Internal Audit Standards***

(\*) 'Generally Conforms' is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards. The assessor considered LCCIAS compared very favourably in benchmarking against other Local Authorities. Six areas of good practice were reported and (as was expected) four areas for further improvement. An action plan is being developed.

19. The full EQA report can be found at: -

<https://democracy.leics.gov.uk/documents/s182668/Appendix%203%20-%20Final%20report%20-%20External%20Quality%20Assessment.pdf>

## **Part 2**

### **Internal Audit Annual Report 2023-24**

20. The HoIAS' annual report must include:

- a) An annual internal audit opinion on the overall adequacy and effectiveness of the Council's control environment
- b) A summary of the audit work from which the opinion is derived.
- c) A comparison of the work actually undertaken with the work that was planned to include a summary of the performance of the internal audit function.
- d) A statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme (QAIP)
- e) any issues the HoIAS judges particularly relevant to the preparation of the annual governance statement

21. The annual report for 2023-24 is provided at **Appendix 3**. The report includes the HoIAS' opinion.

**HoIAS opinion:** A stable staff group throughout the year allowed for a good progression of planned audits. Forty-five assurance audits were undertaken, the majority of which returned substantial assurance rating. Nine audits either contained high importance (HI) recommendations or were otherwise given a partial assurance rating and were reported in summary to Committee during the year. Seven consulting engagements were undertaken. Seventeen grants were certified. Management accepted and responded positively to recommendations including follow ups.

The HoIAS took independent assurance from External Audit reports and the Leicester Safeguarding Children Partnership Board Annual Report and reviewed other Committee reports.

The major cyber incident in early March created short delays to progressing a few audits. However, an important scheduled audit of key ICT controls (including a follow up on the cyber security audit undertaken in 2022-23), was not able to be undertaken due to the cyber incident. Therefore, Internal Audit assurance could not be given that there was not material risk exposure. Independent assurance will need to be gained once the incident is concluded.

Notwithstanding being unable to provide assurance on key ICT controls, reasonable assurance is given that the Council's control environment has remained overall adequate and effective.

The HoIAS' opinion is also contained in the Council's draft AGS.

22. **Annex 1** provides detail on how the annual internal audit opinion was formed, defines the types of audits, the components of the control environment and what it is designed to achieve, and provides a caveat on any opinion reached.

23. **Annex 2** lists the audits undertaken during the year. For assurance audits the individual audit opinion is given.

24. Headlines from the report are: -

- a. The HoIAS opinion on the overall adequacy and effectiveness of the control environment remained positive.
- b. The vast majority of assurance audits conducted (almost 80%) returned substantial assurance ratings. Those where less assurance was given will continue to be subject to further internal audit scrutiny.
- c. There was good progress in closing off legacy high importance recommendations.
- d. Due to reporting a month earlier, there was a small drop in the total number of audits undertaken and completed but year on year comparison shows that days provided was constant and was utilised on audits (90% of time) not client management (10%).
- e. Audits of grants remains a drain on resource although less than in recent years.
- f. There's a very small carry over of work.
- g. Year on year comparison shows that days provided considerably exceeded those from the previous year(s) and the increase was utilised on audits not client management.
- h. Customer satisfaction returns decreased but remained positive on the whole.
- i. Development and training continued.

- j. An independent External Quality Assessment judged the Service generally conforms to PSIAS (the top rating). The assessor reported good practice but there are some improvement areas to consider for conformance to PSIAS and the QAIP.
- k. The Internal Audit Service was reported positively in the (External) Auditor's Annual Report.
- l. The HoIAS considers that the major cyber security incident that occurred in early March should be reported in the AGS along with any action taken and planned.

**Financial Implications:**

- 25. There are no direct financial implications arising from this report. However, as a result of the work carried out, assurance regarding the operation of key financial systems is gained and there would be an expectation that implementing internal audit recommendations could improve effectiveness, efficiency and economy.
- 26. Leicester City Council has not incurred any charge for the independent external quality assessment of Leicestershire County Council's Internal Audit Service.

**Legal Implications:**

- 27. None.

**Equal Opportunities Implications**

- 28. There are no discernible equal opportunities implications resulting from the audits listed.

**Climate Emergency Implications:**

- 29. None

**Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

- 30. No.

**Is this a "key decision"? If so, why?**

- 31. No.

**Background Papers**

The Constitution of Leicester City Council  
 Accounts and Audit Regulations (Amendment) 2015  
 The Public Sector Internal Audit Standards (revised from April 2017)



The Internal Audit Plans 2022-23 & 2023-24  
Report to Governance & Audit Committee 13 March 2024 - Progress against  
Internal Audit Plans and an external quality assessment of Leicestershire  
County Council's Internal Audit Service

**Officer to Contact**

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Appendix 1	High Importance Recommendations as at 14 <sup>th</sup> June 2024.
Appendix 2	Summary of Internal Audit Service work undertaken between 1 <sup>st</sup> April 2023 - 31 <sup>st</sup> May 2024.
Appendix 3	The Head of Internal Audit Service Annual Report 2023-24
Annex 1	The Head of Internal Audit Service Annual Opinion on the overall adequacy and effectiveness of the control environment 2023-24
Annex 2	Work supporting the HoIAS Annual Opinion 2023-24



**High Importance Recommendations – Position as of 14<sup>th</sup> June 2024**

<b><u>Audit Title (Owner)</u></b>	<b><u>Summary of Finding(s) and Recommendation(s)</u></b>	<b><u>Management Response</u></b>	<b><u>Action Date (by end of)</u></b>	<b><u>Confirmed Implemented</u></b>
<b>Reported July 2024</b>				
<b>Contract Management (Head of Service Housing)</b>	<p>One High Importance recommendation was made:            There should be a review of contracts where there are repeated extensions and waivers, to identify the root cause and where appropriate provide training and support to operational managers.</p>	<p>Management provided Internal audit with supporting information to highlight the immediate steps that are being taken to address the recommendation, which includes:</p> <ul style="list-style-type: none"> <li>• Training to Technical Managers and Senior Technicians, which included the correct use of forms, this has been filtered down to the Contract Administrators. Additional training is planned in the year.</li> <li>• To ensure procurement is completed in a timely manner, all Contract Administrators and their line Managers are instructed to diarise key dates i.e., 12 months prior to contract end date.</li> </ul> <p>Management have agreed that a Dashboard is to be created utilising Housing’s Management system, which will allow close monitoring of key contract information and this information will be visible to Heads of Service and Contract Administrators. Work has started on the Dashboard, but there have been delays due to the Cyber incident, the planned implementation date is now October 24.</p>	<b>June 2024 Extend to October 24</b>	

<b>Catherine Infant School (Head Teacher)</b>	<p>A number of recommendations were made in this school report which overall, resulted in a partial assurance. Some of the key areas where recommendations were made included governance, financial planning, purchasing, income, banking, payroll and data security.</p>	<p>The school has responded positively and taken steps to promptly implement the recommendations made in the report. Supporting evidence provided by the school has also been reviewed by Internal Audit to confirm implementation of the recommendations.</p>	<b>Feb 24</b>	<b>Yes</b>
<b>Fleet Services Invoice Payments (Corporate Payments Manager)</b>	<p>One High Importance recommendation was made: Corporate procedures should be tightened to ensure existing controls cannot be circumvented and invoice payments are made accurately, timely and only once.</p>	<p>Management have reported that Business Service Centre staff can no longer raise or open orders over £5k in value, these all have to be referred through to accountancy. Whilst this still allows staff some flexibility, £5k is in-line with their current spending controls for high value items. Internal Audit has confirmed this change in limit has been actioned. Also, management will be introducing exception reporting to identify any changes to the invoice numbers and will be undertaking some sample checks to confirm validity.</p>	<b>June 24 Extend to Sep 24</b>	
<b>Dovelands Primary School</b>	<p>The school received a number of high and medium priority recommendations which has resulted in a little or no assurance. This was an audit that was requested by the newly appointed Headteacher, who recognised that there was a need to improve the control environment and create a baseline for the school to move forward.</p>	<p>The school has responded positively to recommendations made in the report and has confirmed that the school is working towards putting the measures in place that were highlighted on the audit report. Its reported many of the actions required to implement the recommendations are already in place although some target dates have had to be extended. Internal Audit will undertake a follow-up audit to confirm implementation of the recommendations.</p>	<b>Sept 24</b>	

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Reported March 2024				
Spinney Hill Primary School	<p>One High Importance recommendation was made.</p> <p>The school should ensure forecast positions provided to the Governors and the Council's Schools Finance team provide more accurate positions particularly as they approach the year end. This will also assist Governors make decisions based on more realistic budget position of the school.</p>	<p><b>The School and Governors have been working to improve forecast and budget performance. The January 2024 forecast and the final outturn position (re: 2023-24) submitted to the Council's School Finance Team have been reviewed by Internal Audit, which showed that the forecast and out-turn positions were very closely aligned and highlights the significant improvements made to address and clear the recommendation.</b></p>	Feb 24	<b>Yes</b>
Herrick Primary School (Head Teacher)	<p>Two High Importance recommendations were made:</p> <ol style="list-style-type: none"> <li>1. The governing body should work closely with the school and the Local Authority Schools Finance team to ensure the deficit position is closely monitored and improvements are made in line with the deficit budget plan (when in place).</li> <li>2. The school along with the Local Authority should take immediate action to investigate the cause of the large overdraft position on the bank balance. Once resolved, the school should ensure a positive bank balance is maintained.</li> </ol>	<p><b>The school continues to work closely with the school finance team to improve their overdraft and overall financial position. The school has been proactive in improving their deficit position and this is evident from information supplied by the school to Internal Audit. It's acknowledged by the school's finance team that the school is making progress, but to implement the plan and improve the school's financial position will take some time and suggested that the next review is done in 12 months time. Target date is extended to June 25; however, Internal Audit will continue to provide progress updates at future committees.</b></p>	<p>Feb 24 Jun 24 Sept 2024 <b>Extend to June 2025</b></p>	

Reported July 2023				
2022-23 CCTV (Head of Standards & Development)	<p>Three High Importance recommendations were raised in this report:</p> <ol style="list-style-type: none"> <li>1. A decision needs to be made on how the standalone CCTV installations can be captured, and how these should be recorded and managed</li> <li>2. Compliance reviews should be undertaken on the standalone CCTV installations.</li> <li>3. Guidance should be developed for Business Risk Owners on the correct processes to follow when procuring a new CCTV system.</li> </ol>	<ol style="list-style-type: none"> <li>1. <b>Following meetings from the CCTV working group a decision has been made that the best method for a centralised asset register will be within the Leicester City Council Open Data platform; the central asset register will be a private dataset with restricted and limited access (only to specific LCC staff members). This will be updated annually by the Information Governance and Risk team.</b></li> <li>2. <b>An annual compliance survey has been created to ensure CCTV responsible officers are reminded of their duties for standalone systems (a copy of the survey has been obtained and reviewed by Internal Audit). The distribution of survey will be led by the Information Governance and Risk team.</b></li> <li>3. <b>A pre-procurement checklist for stand-alone CCTV Systems outside of the Corporate CCTV system has been created (a copy was obtained and reviewed by Internal Audit). This includes guidance and key actions which need to be considered and actioned before a standalone system is procured.</b></li> </ol>	Dec 23 Jan 24 Extend to Mar 24	<ol style="list-style-type: none"> <li>1. <b>Yes</b></li> <li>2. <b>Yes</b></li> <li>3. <b>Yes</b></li> </ol>

Reported November 2022				
(2021-22) Direct Payments (Head of Locality East/SRCT and Care Navigators)	The audit highlighted weakness in the annual review process. One high importance recommendation was made:  Annual reviews of the support plans should be undertaken to establish whether the needs of the person on Direct Payments had changed, and the Direct Payments remained appropriate.	<b>A dashboard now allows ASC to see at a glance the outstanding overdue reviews by each service area and a risk matrix is being tested, to enable the prioritisation of DP reviews. Work is still ongoing with IT to amalgamate the dashboard with other data. Internal Audit will undertake testing once work is completed.</b>	Jan 2023 Jun 2023 Dec 2023 Jan 2024 Jun 2024 <b>Extend to Sept 24</b>	
Reported Sept 2022				
65 Key ICT Controls (2020-21) (Head of IT Operations)	The audit identified a number of weaknesses, three high importance recommendations were made in the report: 1. Adequate Disaster Recovery (DR) governance arrangements should be established. 2. A High-level Disaster Recovery Test Strategy should be developed with lower-level assessments being undertaken for individual DR tests as they are planned. 3. Resiliency testing of the network and key applications should be planned and undertaken as soon as possible.	<b>Work on this area has been delayed due to the Cyber Incident and associated recovery process. Work on implementing this recommendation will commence in mid-June for completion by the end of August, providing no issues arise at the migration stage.</b>	Dec 2022 April 2023 Nov 23 Jan 24 Mar 24 <b>Extend to Aug 24</b>	1. Yes 2. Yes 3. <b>No</b>





Appendix 2: Leicester City Council Summary of Internal Audit work 31st May 2024

Appendix 2: Leicester City Council 2023-24 Audit Plan (includes prior year audits b/fwd) - Audits Finalised as at 31.05.2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Audit Title	Assurance Level
2022-23	Planned	Internal Controls & Governance	Childrens Placements	Substantial Assurance
2022-23	Planned	Risk Management	Information Governance - 3rd Party Data Management	Substantial Assurance
2022-23	Planned	Governance	Contract Audits : Consultancy Contract	Substantial Assurance
<b>2022-23</b>	<b>Planned</b>	<b>Governance</b>	<b>Contract Audits : Contract monitoring</b>	<b>Partial Assurance</b>
2022-23	Added to Plan	Internal Control	Imprest Account (A&A)	Complete
2023-24	Planned	Contract Audit	PFI Project - Waste RE-Procurement	Substantial Assurance
2023-24	Planned	Internal Control	Montrose Primary School	Substantial Assurance
2023-24	Planned	Internal Control	Housing Stores	Substantial Assurance
2023-24	Planned	Internal Control & Governance	School Financial Audits - Montrose Primary School	Substantial Assurance
2023-24	Planned	Internal Control	Transforming Cities Fund	Substantial Assurance
2023-24	Planned	Internal Control	Construction (Design & Management) Regulation - Phase 2	Substantial Assurance
2023-24	Planned	Internal Control	Contract Auditing - Bid Rigging	Substantial Assurance
2023-24	Planned	Internal Control	School Financial Audits :Wolsey House Primary School	Substantial Assurance
2023-24	Planned	Internal Control	Council assets transferred	Substantial Assurance
2023-24	Planned	Governance	Contract Audit: Agency	Substantial Assurance
2023-24	Planned	Internal Control	IR35	Substantial Assurance
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Car Parking Income</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control &amp; Governance</b>	<b>Self-Assessment against CIPFA Code of Practice on Fraud</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>School Absence Monitoring</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control &amp; Governance</b>	<b>School Financial Audits - Merrydale Infant School</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Bus Lane Penalty Enforcements (BLPE)</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Major Financial Systems(MFS) - Payroll</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Household Support Fund</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>GP Payments</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Subsidy Control Regime</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Major Financial Systems(MFS) - Treasury Management</b>	<b>Substantial Assurance</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control &amp; Governance</b>	<b>School Financial Audits - Moat Community College</b>	<b>Substantial Assurance</b>
2023-24	Planned	Internal Control	School Financial Audits : Herrick Primary School	Partial Assurance
2023-24	Planned	Internal Control	School Financial Audits : Spinney Hill Primary School	Partial Assurance
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Major Financial Systems(MFS) - Fleet Services</b>	<b>Partial Assurance</b>

Appendix 2: Leicester City Council 2023-24 Audit Plan (includes prior year audits b/fwd) - Audits Finalised as at 31.05.2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Audit Title	Assurance Level
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control &amp; Governance</b>	<b>School Financial Audits - Catherine Infant School</b>	<b>Partial Assurance</b>
<b>2023-24</b>	<b>Added to Plan</b>	<b>Internal Control &amp; Governance</b>	<b>School Financial Audits - Dovelands</b>	<b>Little or No Assurance</b>
2023-24	Planned	Internal Control	Multiply Funding Grant	Certified
2023-24	Planned	Internal Control	LLEP - Core Growth Hub Grant Funding	Certified
2023-24	Planned	Internal Control	Adriatic 7 Limited (2022-23 Service Charges)	Certified
2023-24	Planned	Internal Control	Supporting Families - Claim 1	Certified
2023-24	Planned	Internal Control	Home Upgrade Grant Phase 1(HUG 1)	Certified
2023-24	Planned	Internal Control	Grant Audit - Bus Services Operator Grant (BSOG)	Certified
2023-24	Planned	Internal Control	Leaseholder Accounts	Certified
2023-24	Planned	Internal Control	Supporting Families - Claim 2	Certified
2023-24	Planned	Internal Control	Grant Audit - Changing Places Fund	Certified
2023-24	Planned	Internal Control	Local Transport Capital Funding	Certified
2023-24	Planned	Internal Control	Disabled Facilities Grant	Certified
2023-24	Planned	Internal Control	Local Authority Delivery Phase 3 (LAD 3) Grant	Certified
2023-24	Planned	Internal Control	Supporting Families - Claim 3	Certified
2023-24	Planned	Internal Control	Social Housing - Decarbonisation Fund Wave 1	Certified
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Supporting Families - Claim 4</b>	<b>Certified</b>
2023-24	Added to plan	Internal Control	Post Room Move	Complete
2023-24	Added to Plan	IT & Information Governance	BACs/DD - Phase 1	Complete
2023-24	Added to Plan	IT & Information Governance	Mobile Chip and PIN - A&A	Complete
2023-24	Added to Plan	IT & Information Governance	IT Audits - DWP Data Security (A&A)	Complete
2023-24	Added to Plan	Internal Control & Governance	ContrOCC and Online Financial Assessments	Complete
<b>2023-24</b>	<b>Planned</b>	<b>Risk Management</b>	<b>Suppliers BC Plans</b>	<b>Complete</b>
<b>2024-25</b>	<b>Planned</b>	<b>Internal Controls</b>	<b>LLEP Growth Hub Grant</b>	<b>Certified</b>
<b>2024-25</b>	<b>Planned</b>	<b>Internal Controls</b>	<b>Multiply Grant</b>	<b>Certified</b>

Appendix 2: Leicester City Council : 2023-24 Audit Plan (includes prior year audits b/fwd) - Status of audits awaiting completion as at 31.05.2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Audit Title	Current Milestone
2022-23	Planned	Governance	Haymarket	Revised Draft Issued
2023-24	Added to Plan	IT & Information Governance	BACs/DD - Phase 2	Draft Issued
2023-24	Planned	Internal Control	Major Financial Systems(MFS) - Creditors	Draft Issued
2023-24	Planned	IT & Information Governance	IT Audit - Concerto upgrade	Draft Issued
2023-24	Planned	Internal Control & Governance	Levelling Up Projects	Draft Issued
2023-24	Planned	Internal Control & Governance	Corporate Landlord	Draft Issued
2023-24	Planned	Internal Control & Governance	Parks & Open Spaces	Draft Issued
2023-24	Planned	IT & Information Governance	Payment Card Industry (PCI) Compliance	Draft Issued
2023-24	Planned	Internal Control	SEND Transport	Draft awaiting issue
2023-24	Planned	Internal Control	Workspaces	Draft awaiting issue
2023-24	Planned	Internal Control	Disposal of Assets	Work in progress
2023-24	Planned	Internal Control & Governance	Selective Licencing	Work in progress
2023-24	Planned	Internal Control	Income Procedures	Work in progress
2023-24	Added to Plan	IT & Information Governance	BACs/DD - Phase 3	Work in progress

Appendix 2: Leicester City Council : 2024-25 Audit Plan - Status of audits awaiting completion as at 31.05.2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Audit Title	Current Milestone
2024-25	Planned	Internal Control & Governance	Financial controls audit (Direct Payment - Fraud Awareness Raising )	Draft awaiting issue
2024-25	Planned	Internal Control & Governance	School Financial Audits - Marriott Primary School	Draft awaiting issue
2024-25	Planned	Internal Control & Governance	School Finance (Central Team overview)	Work in progress
2024-25	Planned	Internal Control	Adriatic 7 Limited (2023-24 Service Charges )	Work in progress
2024-25	Planned	Internal Control & Governance	School Financial Audits - Mellor Community Primary School	Planning
2024-25	Planned	Internal Control	Supporting Families (2024-25) - Claim 1	Planning
2024-25	Planned	Internal Control & Governance	School Financial Audits - Rushey Mead Primary School	Planning

**Appendix 2: Leicester City Council : HI recommendations follow ups as at 14.06.2024**

<b>Audit Plan Yr</b>	<b>Plan State</b>	<b>Audit Plan Area Names</b>	<b>Title</b>	<b>Current Milestone</b>
2019-20	Planned	IT & Information Governance	GDPR#2	Complete
2021-22	Planned	IT & Information Governance	Key ICT General Controls	In progress
2021-22	Planned	Systems & Governance	Direct Payments	In progress
2021-22	Planned	Internal Controls & Governance	Bed & breakfast Emergency Planning	Complete
2022-23	Planned	Internal Controls & Governance	Construction Projects (CDM Compliance)	Complete
<b>2022-23</b>	<b>Planned</b>	<b>Internal Controls &amp; Governance</b>	<b>CCTV</b>	<b>Complete</b>
2023-24	Planned	Internal Controls & Governance	Herrick Primary School	In progress
<b>2023-24</b>	<b>Planned</b>	<b>Internal Controls &amp; Governance</b>	<b>Spinney Hill Primary School</b>	<b>Complete</b>
<b>2022-23</b>	<b>Planned</b>	<b>Governance</b>	<b>Contract Audits : Contract monitoring</b>	<b>In progress</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Major Financial Systems(MFS) - Fleet Services</b>	<b>In progress</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control &amp; Governance</b>	<b>School Financial Audits - Catherine Infant School</b>	<b>Complete</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control &amp; Governance</b>	<b>Dovelands Primary School</b>	<b>In progress</b>

**Appendix 2: Leicester City Council 2023-24 Audit Plan - Deferred & Cancelled Audit as at 31/05/2024**

<b>Audit Plan Yr</b>	<b>Plan State</b>	<b>Audit Plan Area Names</b>	<b>Title</b>	<b>Current Milestone</b>
2023-24	Planned	IT & Information Governance	IT Audits : CRM/Gladstone	Cancelled
2023-24	Planned	Internal Control	Fostering & Adoptions	Cancelled
2023-24	Planned	Governance	Procurement Dashboard	Defer to 2024-25
2023-24	Planned	Governance	LLEP	Defer to 2024-25
2023-24	Planned	IT & Information Governance	IT audit - Unit 4 Development Project	Defer to 2024-25
2023-24	Planned	Internal Control	Transforming Cities Fund - TCF 1	Defer to 2024-25
2023-24	Planned	Internal Control	Transforming Cities Fund - TCF 2	Defer to 2024-25
2023-24	Planned	Internal Control	ULEV Taxi Infrastructure Scheme Project Grant	Defer to 2024-25
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control</b>	<b>Procurement Bill</b>	<b>Defer to 2024-25</b>
<b>2023-24</b>	<b>Planned</b>	<b>Internal Control &amp; Governance</b>	<b>School Financial Audits - Madani Schools</b>	<b>Defer to 2024-25</b>

**Appendix 2: Leicester City Council 2023-24 Audit Plan - Deferred & Cancelled Audit as at 31/05/2024**

<b>Audit Plan Yr</b>	<b>Plan State</b>	<b>Audit Plan Area Names</b>	<b>Title</b>	<b>Current Milestone</b>
2023-24	Planned	Internal Control	Schools Finance	Defer to 2024-25
2023-24	Planned	Risk Management	Fire and building safety - owned and occupied buildings	Defer to 2024-25
2023-24	Planned	Internal Control	Assets Valuation	Defer to 2024-25
2023-24	Planned	Internal Control	Contract Audit : Due diligence	Defer to 2024-25
2023-24	Planned	IT & Information Governance	IT Audits : ONE Education System	Defer to 2024-25
2023-24	Planned	Internal Control	Contract Audit : Low value contracts/Contract monitoring	Defer to 2024-25
2023-24	Planned	Internal Control	Zero Emission Bus Regional Areas Grant	Defer to 2024-25
2023-24	Planned	IT & Information Governance	IT Audits - Key ICT (includes Cyber Security follow-up)	Defer to 2024-25
2023-24	Planned	Internal Control & Governance	Revenue & Benefits Savings	Defer to 2024-25



**Leicester City Council  
Head of Internal Audit Service  
Annual Report 2023-24**

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**Neil Jones CPFA,  
Head of Internal Audit & Assurance Service, Leicestershire  
County Council**

**18 June 2024**

**Leicester City Council**  
**Head of Internal Audit Service**  
**Annual Report 2023-24**

**Background**

1. A common set of Public Sector Internal Audit Standards (PSIAS) was adopted in April 2013 and revised from April 2017. The PSIAS encompass the mandatory elements of the Global Institute of Internal Auditors (IIA Global) International Professional Practices Framework (IPPF) as follows: -
  - i. The Mission of Internal Audit
  - ii. Definition of Internal Auditing
  - iii. Core Principles for the Professional Practice of Internal Auditing
  - iv. Code of Ethics
  - v. International Standards for the Professional Practice of Internal Auditing
2. Additional requirements and interpretations for the local government sector have been inserted into the PSIAS and all principal local authorities must make provision for internal audit in accordance with the PSIAS.
3. The objectives of the PSIAS are to: -
  - a. define the nature of internal auditing within the UK public sector
  - b. set principles for carrying out internal audit in the UK public sector
  - c. establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations
  - d. establish the basis for the evaluation of internal audit performance and to drive improvement planning
4. The PSIAS require the Head of Internal Audit Service (HoIAS) to provide an annual report to 'the Board' (for Leicester City Council this is the Governance & Audit Committee) timed to support the annual governance statement.
5. The PSIAS state that the annual report must include:
  - a. an annual internal audit opinion on the overall adequacy and effectiveness of the Council's control environment (i.e. its framework of governance, risk management and internal control) and disclosure of any qualifications to the opinion, together with the reasons for the qualification
  - b. a summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance bodies) and disclosure of any impairments or restriction in scope
  - c. a comparison of the work actually undertaken with the work that was planned including a summary of the performance of the internal audit function against its performance measures and targets
  - d. a statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme (QAIP) and progress against any improvement plans resulting from a QAIP external assessment.
  - e. any issues the HoIAS judges particularly relevant to the preparation of the annual governance statement



## **The Annual Internal Audit Opinion on the Adequacy and Effectiveness of Leicester City Council's Control Environment**

6. **Annex 1** provides detail on how the annual internal audit opinion was formed, explains the types of audits undertaken, the components of the control environment and what it is designed to achieve, and provides a caveat on any opinions reached.
7. The opinion is based on an objective assessment of the results of individual audits undertaken, actions by management thereafter and the professional judgement of the HoIAS in evaluating other related activities including the Council's plans and responses received. For 2023-24, the HoIAS reviewed actions taken to promote good governance, mitigate risk and retain control. The following opinion has been reached:

**HoIAS opinion: A stable staff group throughout the year allowed for a good progression of planned audits. Forty-five assurance audits were undertaken, the majority of which returned substantial assurance rating. Nine audits either contained high importance (HI) recommendations or were otherwise given a partial assurance rating and were reported in summary to Committee during the year. Seven consulting engagements were undertaken. Seventeen grants were certified. Management accepted and responded positively to recommendations including follow ups.**

**The HoIAS took independent assurance from External Audit reports and the Leicester Safeguarding Children Partnership Board Annual Report and reviewed other Committee reports.**

**The major cyber incident in early March created short delays to progressing a few audits. However, an important scheduled audit of key ICT controls (including a follow up on the cyber security audit undertaken in 2022-23), was not able to be undertaken due to the cyber incident. Therefore, Internal Audit assurance could not be given that there was not material risk exposure. Independent assurance will need to be gained once the incident is concluded.**

**Notwithstanding being unable to provide assurance on key ICT controls, reasonable assurance is given that the Council's control environment has remained overall adequate and effective.**

8. At the 18 June 2024, the outcomes of 2 audits hadn't been concluded with management. Whilst some recommendations have been (or will be) made, their outcomes will not affect the overall opinion given.

### **A summary of the audit work from which the opinion is derived.**

9. **Annex 2** lists the audits and other work undertaken by LCCIAS during the year and where appropriate contains the individual audit opinion.
10. 5 prior year audits were concluded. Up until the time of the cyber incident in early March 2024, good progress was made against the 2023-24 plan. Overall, for work completed at 18 June, 34 audits returned a 'substantial' assurance' rating, meaning the controls in place to reduce exposure to risks

to achieving the system's objectives were well designed and were being operated effectively.

11. 8 planned audits from 2023-24 (and 1 prior year audit) resulted in partial assurance ratings. This was because either specific high importance (HI) recommendations (or a combination of several important recommendations) were identified denoting there was either an absence of, or a weakness in control and achievement of the service's objectives was open to material risk exposure. HI recommendations/partial assurance ratings are reported in summary to the Governance & Audit Committee (the Committee) and they stay in the Committee's domain until the HoIAS has confirmed (by obtaining evidence or even specific re-testing) that action has been implemented. During 2023-24 of the 6 HI recommendations audits closed off after follow-up, 3 related to prior year audits, a further 2 prior year HI recommendations audits remain in progress. The HoIAS remains satisfied that senior management and Members pay attention to the implementation of HI recommendations/partial assurance ratings. However, there needs to be active monitoring and reporting slippage in implementation of recommendations which might indicate increasing pressures and strains on the control environment.
12. Two of the four 'major financial systems' audits returned positive assurance ratings as did several other financial systems audits.
13. It was planned to conduct the regular audit of key ICT controls and include a follow up to the cyber security audit (2022-23). The audit was scheduled to be undertaken in mid-March after the External Auditor had concluded its annual IT systems work to give assurance on the integrity of the Council's financial statements. However, the major cyber incident occurred in early March, so Internal Audit was not able to provide assurance that risks were being mitigated. Independent assurance will be required once the incident is concluded.
14. 9 maintained schools were audited, 4 returned negative assurance ratings. An audit of school absence monitoring was also undertaken.
15. Advice (Consulting audits) was given in seven areas including on the BACS/Direct Debits repayments of debt by instalment plans issue which occurred on 31 May. This work later formed two further assurance audits the third of which remains in progress.
16. There were fewer grant certifications and consequently that used up less resource than the previous year (87 versus 108 days). Nevertheless, the use of resource in this area remains a concern across all local authorities.
17. The PSIAS require that the HoIAS should disclose where reliance is placed on work by other assurance bodies. For 2023-24 the HoIAS took assurance externally from three reports by the External Auditor, Related Parties – consideration of enquiry: The ISA 260 Report (the Audit Findings Report) and The Auditor's Annual Report 2022/23 (The Value for Money report). The HoIAS also took independent assurance from the Safeguarding Children Partnership Board Annual Report and internal assurances from City Council committee reports especially the Scrutiny Annual Report.

18. The HoIAS was interviewed by (and provided evidence to) the External Auditor during their value for money work relating to the Council's governance arrangements. The Internal Audit Service was reported positively in the Auditor's Annual Report.

**A comparison of work undertaken with work planned including a summary of the performance of the internal audit function**

19. The tables below show performance both in terms of number of audits and days allocated.

**Table 1: Overall performance against 2023-24 internal audit plan**

<b>Position as at 18 June 2024</b>	<b>Total</b>	<b>Complete</b>	<b>Draft issued</b>	<b>In progress</b>	<b>Postpone or Cancel</b>
Assurance audits	60	43	-	2	15
Consulting audits	7	7	-	-	-
Grants/other	21	17	-	-	4
Follow ups	12	6	-	6	-
<b>Total</b>	<b>100</b>	<b>73</b>	<b>-</b>	<b>8</b>	<b>19</b>
Prior year 2022-23	128	92	3	9	24

20. The 2023-24 plan contained several potential areas for audit that for a variety of reasons didn't come to fruition and were deferred. Other audits were added to the plan and replaced them. Some deferred audits have begun to be worked on in 2024-25.
21. For the period 1st April 2023 to 31st March 2024, 869 days were recorded (2022-23 same period was 875) which was sufficient coverage to be able to form an opinion.

Results were: -

<b>Function</b>	<b>2022-23</b>	<b>2023-24</b>	<b>+/-</b>
Audits (assurance, consulting, investigations)	782	<b>781</b>	<b>-1</b>
Client management – includes committees	93	<b>88</b>	<b>-5</b>
<b>Total</b>	875	<b>869</b>	<b>-6</b>

22. Overt 60% of the time was provided by senior/experienced staff: -

<b>Position</b>	<b>Days</b>	<b>%</b>	<b>Days</b>	<b>%</b>
HoiAS & Audit Managers	172	20	<b>188</b>	<b>21</b>
Senior Auditors & ICT Auditor	340	39	<b>352</b>	<b>41</b>
Other	363	41	<b>329</b>	<b>38</b>
<b>Total</b>	875	100	<b>869</b>	<b>100</b>

23. Synergy was achieved i.e. where the same audit has been undertaken at the City and County Councils (especially grants).
24. LCCIAS regularly liaises with the Council's risk, counter fraud, procurement and information governance leads, shares consultation responses and

- governance and risk research and publications and feeds back information gathered from other local authorities to enable comparisons.
25. Whilst 13 customer satisfaction questionnaires were issued within year, only 5 were returned. 4 were scored highly satisfied. For the 5<sup>th</sup> audit, despite the assurance rating being 'substantial' and only a few recommendations which were all agreed by the client manager, the questionnaire was scored 'unsatisfactory' on the basis value added was minimal.

**A statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme (QAIP)**

26. Leicestershire County Council Internal Audit Service commissioned its 5 yearly External Quality Assessment (EQA) to be undertaken in the spring of 2024. The undertaking of an EQA is a requirement of the Public Sector Internal Audit Standards (PSIAS), in conjunction with CIPFA's Local Government Advisory Notice (LGAN - 2019), which aim to promote continued improvement in the professionalism, quality and effectiveness of the internal audit function. As part of the internal audit quality management programme, each internal audit function should be subjected to an external assessment of its overall conformance with the standards once every five years by a qualified, independent assessor or assessment team from outside the organisation.
27. The assessment (undertaken by a very experienced internal audit and risk professional with a career spanning 40 years) was based upon a review (validation) of an evidenced internal self-assessment exercise using the standard template of LGAN. The EQA provided for the review to be undertaken remotely, which proved to be an efficient and effective means of conducting such reviews and enabled electronic files to be provided to the reviewer to evaluate consistency and diligence in processes. In addition to interviews with both the HoIAS and the Audit Manager responsible for EQA submission, eleven other key stakeholders from a range of clients were also requested to provide feedback in relation to the service.
28. The assessor's final report states: -

***The Leicestershire County Council internal audit service is delivering to a standard that generally conforms (\*) with the Public Sector Internal Audit Standards***

(\*) 'Generally Conforms' is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards.

The assessor considered LCCIAS to compare very favourably in benchmarking against other Local Authorities. Six areas of good practice were reported and (as was expected) four areas for further improvement. An action plan is being developed.

29. The assessor also reviewed the service's Quality Assurance and Improvement Programme (QAIP). The report stated that, 'LCIAS has developed a QAIP process which itemises development and supervisory processes that contribute towards maintaining and evidencing appropriate

review of the delivery of a quality service...and including a series of key performance indicators (KPI's)'. Two areas for further improvement were suggested and they have been included in the action plan.

**Any issues the HoIAS judges particularly relevant to the preparation of the Annual Governance Statement (AGS)**

30. For the year 2023-24, the HoIAS considers that the major cyber security incident that occurred in early March should be reported in the AGS along with any action taken and planned.

Neil Jones CPFA  
Head of Internal Audit & Assurance Service  
LCCIAS

18 June 2024.



**The Head of Internal Audit Service's Annual Opinion  
on the overall adequacy and effectiveness  
of Leicester City Council's control environment  
2023-24**

**Neil Jones CPFA, Head of Internal Audit & Assurance Service,  
Leicestershire County Council**

**18 June 2024**

## Background

The Head of Internal Audit and Assurance Service, Leicestershire County Council undertakes the role and responsibilities of Leicester City Council's (the Council's) Head of Internal Audit Service (HoIAS). The HoIAS manages Leicestershire County Council's Internal Audit Service (LCCIAS). In May 2024, LCCIAS was independently externally assessed as generally conforming (the top rating) to the Public Sector Internal Audit Standards (the PSIAS). The PSIAS require the HoIAS to give an annual opinion on the overall adequacy and effectiveness of the Council's control environment (its framework of governance, risk management and control). The PSIAS definition of the control environment is found at the end of this document, along with further explanation from the Institute of Internal Auditors about what an effective system of internal control facilitates.

The HoIAS annual opinion is **macro**-assurance over a defined period (financial year 2023-24) and is based upon a combination of:

- An objective assessment based on the results of individual audits undertaken and actions taken by management thereafter. Individual internal audit opinions on what level of assurance can be given as to whether risk is being identified and adequately managed are formed by applying systematic grading to remove any elements of subjectivity. **Annex 2** lists the audits and other work undertaken during the year and, where appropriate, the individual audit opinion. Individual audit engagements provide targeted **micro**-assurance.
- The HoIAS' role in preparing for, attending, and reporting to the Governance & Audit Committee (the Committee) and his observations of other reports and engagement during specific training provided to the Committee.
- The HoIAS' reflection on other sources of independent assurance received.
- The professional judgement of the HoIAS based on his knowledge, experience and evaluation of other related activities. This provides a holistic, strategic insight into the City Council's control environment.

The results of the above, when combined, form the basis for the HoIAS opinion on the overall adequacy of the Council's control environment (see definitions). However, the caveat at the end of this document explains what internal control cannot do, i.e. no system of internal control can provide absolute assurance against material misstatement or loss, nor can LCCIAS give absolute assurance, especially given its limited resource. The work of LCCIAS is intended only to provide reasonable assurance on the adequacy of the control environment based on the work undertaken and known facts.

## Governance related internal audit work

Governance arrangements were reviewed in several audits some examples being Levelling Up Projects, Parks and Open Spaces, Corporate Landlord. Overall, recommendations were to improve governance i.e. not to have to establish it.

Throughout the year the HoIAS (and Audit Manager) attended the Governance & Audit Committee (the Committee) to present plans and reports on the internal audit activity, which enabled him to gauge Member level governance at first hand and observe the training delivered



by officers to support their knowledge and role. The HoIAS and Audit Manager continued to meet with the Head of Finance to progress internal audit plans.

The HoIAS was interviewed by (and provided evidence to) the External Auditor during their value for money work relating to the Council's governance arrangements.

To gauge effective scrutiny, the HoIAS reviewed several Overview Select Committee webinars and associated certain reports including the Scrutiny Annual Report.

The HoIAS received assurance externally from three External Audit reports (including the 2022-23 value for money report) and the Safeguarding Children Partnership Board Annual Report.

### **Risk management related internal audit work**

A range of audits planned and conducted were 'risk based' i.e. ensuring that the Council's management identifies, evaluates and manages risk to achieving its objectives i.e. ensuring controls are in place to reduce risk exposure. Specific audits of the Council's conformance to CIPFA's Fraud Code, Construction Design and Management Regulations and SEND transport arrangements were undertaken. The HoIAS received further assurance internally from reviewing the arrangements to revise and improve the identification, reviewing reporting of strategic risks.

### **Financial (and ICT) Controls related internal audit work**

A considerable number of audits were undertaken on areas of key financial systems for example payroll, treasury management, creditors, and fleet invoices. An audit relating to BACS/Direct Debits repayments of debt by instalment plans continues and is in its third phase. Less audit time was focussed on certifying grant claims. All grants (and other returns) audited met their conditions to be certified.

**HoIAS opinion: A stable staff group throughout the year allowed for a good progression of planned audits. Forty-five assurance audits were undertaken, the majority of which returned substantial assurance rating. Nine audits either contained high importance (HI) recommendations or were otherwise given a partial assurance rating and were reported in summary to Committee during the year. Seven consulting engagements were undertaken. Seventeen grants were certified. Management accepted and responded positively to recommendations including follow ups.**

**The HoIAS took independent assurance from External Audit reports and the Leicester Safeguarding Children Partnership Board Annual Report and reviewed other Committee reports.**

**The major cyber incident in early March created short delays to progressing a few audits. However, an important scheduled audit of key ICT controls (including a follow up on the cyber security audit undertaken in 2022-23), was not able to be undertaken due to the cyber incident. Therefore, Internal Audit assurance could not be given that there was not material risk exposure. Independent assurance will need to be gained once the incident is concluded.**

**Notwithstanding being unable to provide assurance on key ICT controls, reasonable assurance is given that the Council's control environment has remained overall adequate and effective.**

## **Definitions**

The revised 2017 Public Sector Internal Audit Standards (the PSIAS) define the following: -

### **Assurance audit**

An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation. Examples may include financial, performance, compliance, system security and due diligence engagements.

### **Consulting audit**

Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.

### **Governance**

The combination of processes and structures implemented by the board to inform, direct, manage and monitor the activities of the organisation toward the achievement of its objectives.

### **Risk Management**

A process to identify, assess, manage and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives.

### **Control**

Actions taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

### **Control Environment**

The attitude and actions of the board and management regarding the importance of control within the organisation. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. It includes the following:

- Integrity and ethical values
- Management's philosophy and operating style
- Organisational structure.
- Assignment of authority and responsibility.
- Human resource policies and practices.
- Competence of personnel.

The IIA defines the control environment as the foundation on which an effective system of internal control is built and operated in an organisation that strives to achieve its strategic objectives, provide reliable financial reporting to internal and external stakeholders, operate its business efficiently and effectively, comply with all applicable laws and regulations, and safeguard its assets

## **Caveat**

The Financial Reporting Council in an Auditing Practices Board briefing paper, 'Providing Assurance on the Effectiveness of Internal Control' explains what internal control cannot do, namely: -

'A sound system of internal control reduces, but cannot eliminate, the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees or others, management overriding controls and the occurrence of unforeseen circumstances. A sound system of internal control therefore provides reasonable, but not absolute assurance that an organisation will not be hindered in achieving its objectives, or in the orderly and legitimate conduct of its business, by circumstances which may reasonably be foreseen. A system of internal control cannot, however, provide protection with certainty against an organisation failing to meet its objectives, or all material errors, losses, fraud or breaches of laws and regulations'.



<b><u>Audit Plan Yr</u></b>	<b><u>Plan State</u></b>	<b><u>Audit Plan Area Names</u></b>	<b><u>Audit Title</u></b>	<b><u>Assurance Level/Position @ 31.05.2024</u></b>
<b><u>Assurance audits</u></b>				
2022-23	Planned	Internal Controls & Governance	Childrens Placements	Substantial Assurance
2022-23	Planned	Governance	Contract Audits : Consultancy Contract	Substantial Assurance
2022-23	Planned	Governance	Haymarket	Substantial Assurance
2022-23	Planned	Risk Management	Information Governance - 3rd Party Data Management	Substantial Assurance
2023-24	Added to Plan	IT & Information Governance	BACs/DD - Phase 2	Substantial Assurance
2023-24	Planned	Internal Control	Bus Lane Penalty Enforcements (BLPE)	Substantial Assurance
2023-24	Planned	Internal Control	Car Parking Income	Substantial Assurance
2023-24	Planned	Internal Control	Construction (Design & Management) Regulation - Phase 2	Substantial Assurance
2023-24	Planned	Governance	Contract Audit: Agency	Substantial Assurance
2023-24	Planned	Internal Control	Contract Auditing - Bid Rigging	Substantial Assurance
2023-24	Planned	Internal Control & Governance	Corporate Landlord	Substantial Assurance
2023-24	Planned	Internal Control	Council assets transferred	Substantial Assurance
2023-24	Planned	Internal Control	Disposal of Assets	Substantial Assurance
2023-24	Planned	Internal Control	GP Payments	Substantial Assurance
2023-24	Planned	Internal Control	Household Support Fund	Substantial Assurance
2023-24	Planned	Internal Control	Housing Stores	Substantial Assurance
2023-24	Planned	Internal Control	IR35	Substantial Assurance
2023-24	Planned	IT & Information Governance	IT Audit - Concerto upgrade	Substantial Assurance
2023-24	Planned	Internal Control & Governance	Levelling Up Projects	Substantial Assurance
2023-24	Planned	Internal Control	Major Financial Systems(MFS) - Payroll	Substantial Assurance
2023-24	Planned	Internal Control	Major Financial Systems(MFS) - Treasury Management	Substantial Assurance
2023-24	Planned	Internal Control & Governance	Parks & Open Spaces	Substantial Assurance
2023-24	Planned	Contract Audit	PFI Project - Waste RE-Procurement	Substantial Assurance
2023-24	Planned	Internal Control	School Absence Monitoring	Substantial Assurance

**Annex 2 - Summary of Internal Audit Service work supporting the HoIAS opinion 2023-24**

<b><u>Audit Plan Yr</u></b>	<b><u>Plan State</u></b>	<b><u>Audit Plan Area Names</u></b>	<b><u>Audit Title</u></b>	<b><u>Assurance Level/Position @ 31.05.2024</u></b>
2023-24	Planned	Internal Control	School Financial Audits - Montrose Primary School	Substantial Assurance
2023-24	Planned	Internal Control & Governance	School Financial Audits - Merrydale Infant School	Substantial Assurance
2023-24	Planned	Internal Control & Governance	School Financial Audits - Moat Community College	Substantial Assurance
2023-24	Planned	Internal Control & Governance	School Financial Audits - Montrose Primary School	Substantial Assurance
2023-24	Planned	Internal Control	School Financial Audits :Wolsey House Primary School	Substantial Assurance
2023-24	Planned	Internal Control & Governance	Selective Licencing	Substantial Assurance
2023-24	Planned	Internal Control & Governance	Self-Assessment against CIPFA Code of Practice on Fraud	Substantial Assurance
2023-24	Planned	Internal Control	Subsidy Control Regime	Substantial Assurance
2023-24	Planned	Internal Control	Transforming Cities Fund	Substantial Assurance
2023-24	Planned	Internal Control	Workspaces	Substantial Assurance
2022-23	Planned	Governance	Contract Audits : Contract monitoring	Partial Assurance
2023-24	Planned	Internal Control	Major Financial Systems(MFS) - Creditors	Partial Assurance
2023-24	Planned	Internal Control	Major Financial Systems(MFS) - Fleet Services Invoice Payments	Partial Assurance
2023-24	Planned	IT & Information Governance	Payment Card Industry (PCI) Compliance	Partial Assurance
2023-24	Planned	Internal Control & Governance	School Financial Audits - Catherine Infant School	Partial Assurance
2023-24	Planned	Internal Control	School Financial Audits : Herrick Primary School	Partial Assurance
2023-24	Planned	Internal Control	School Financial Audits : Spinney Hill Primary School	Partial Assurance
2023-24	Planned	Internal Control	SEND Transport	Partial Assurance
2023-24	Added to Plan	Internal Control & Governance	School Financial Audits - Dovelands	Little or No Assurance
2023-24	Added to Plan	IT & Information Governance	BACs/DD - Phase 3	TBC
2023-24	Planned	Internal Control	Income Procedures	TBC

<b><u>Audit Plan Yr</u></b>	<b><u>Plan State</u></b>	<b><u>Audit Plan Area Names</u></b>	<b><u>Audit Title</u></b>	<b><u>Assurance Level/Position @ 31.05.2024</u></b>
<b><u>Consulting audits</u></b>				
2023-24	Added to Plan	IT & Information Governance	BACs/DD - Phase 1	Complete
2023-24	Added to Plan	Internal Control & Governance	ContrOCC and Online Financial Assessments	Complete
2022-23	Added to Plan	Internal Control	Imprest Account (A&A)	Complete
2023-24	Added to Plan	IT & Information Governance	IT Audits - DWP Data Security (A&A)	Complete
2023-24	Added to Plan	IT & Information Governance	Mobile Chip and PIN - A&A	Complete
2023-24	Planned	Risk Management	Suppliers BC Plans	Complete
2023-24	Added to plan	Internal Control	Post Room Move	Complete
<b><u>HI recommendations - follow ups</u></b>				
2019-20	Planned	IT & Information Governance	GDPR#2	Complete - closed 11/2023
2021-22	Planned	Internal Controls & Governance	Bed & breakfast Emergency Planning	Complete - closed 11/2023
2022-23	Planned	Internal Controls & Governance	CCTV	Complete - closed 6/2024
2023-24	Planned	Internal Controls & Governance	Spinney Hill Primary School	Complete - closed 6/2024
2023-24	Planned	Internal Control & Governance	School Financial Audits - Catherine Infant School	Complete - closed 6/2024
2022-23	Planned	Internal Controls & Governance	Construction Projects (CDM Compliance)	Complete - closed 9/2023
2021-22	Planned	IT & Information Governance	Key ICT General Controls	In progress
2021-22	Planned	Systems & Governance	Direct Payments	In progress
2023-24	Planned	Internal Controls & Governance	Herrick Primary School	In progress
2022-23	Planned	Governance	Contract Audits : Contract monitoring	In progress
2023-24	Planned	Internal Control	Major Financial Systems(MFS) - Fleet Services	In progress
2023-24	Planned	Internal Control & Governance	Dovelands Primary School	In progress

<b><u>Audit Plan Yr</u></b>	<b><u>Plan State</u></b>	<b><u>Audit Plan Area Names</u></b>	<b><u>Audit Title</u></b>	<b><u>Assurance Level/Position @ 31.05.2024</u></b>
<b><u>Grants</u></b>				
2023-24	Planned	Internal Control	Disabled Facilities Grant	Certified
2023-24	Planned	Internal Control	Grant Audit - Bus Services Operator Grant (BSOG)	Certified
2023-24	Planned	Internal Control	Grant Audit - Changing Places Fund	Certified
2023-24	Planned	Internal Control	Home Upgrade Grant Phase 1(HUG 1)	Certified
2023-24	Planned	Internal Control	Leaseholder Accounts	Certified
2023-24	Planned	Internal Control	Local Transport Capital Funding	Certified
2023-24	Planned	Internal Control	Multiply Funding Grant	Certified
2023-24	Planned	Internal Control	Supporting Families - Claim 2	Certified
2023-24	Planned	Internal Control	Supporting Families - Claim 4	Certified
2023-24	Planned	Internal Control	Adriatic 7 Limited Service Charges	Certified
2023-24	Planned	Internal Control	LLEP - Core Growth Hub Grant Funding	Certified
2023-24	Planned	Internal Control	Local Authority Delivery Phase 3 (LAD 3) Grant	Certified
2023-24	Planned	Internal Control	Social Housing - Decarbonisation Fund Wave 1	Certified
2023-24	Planned	Internal Control	Supporting Families - Claim 1	Certified
2023-24	Planned	Internal Control	Supporting Families - Claim 3	Certified
2024-25	Planned	Internal Control	LLEP Growth Hub Grant	Certified
2024-25	Planned	Internal Control	Multiply Grant	Certified



<b><u>Audit Plan Yr</u></b>	<b><u>Plan State</u></b>	<b><u>Audit Plan Area Names</u></b>	<b><u>Audit Title</u></b>	<b><u>Assurance Level/Position @ 31.05.2024</u></b>
<b><u>Deferred/Cancelled</u></b>				
2023-24	Planned	Internal Control	Assets Valuation	Defer to 2024-25
2023-24	Planned	Internal Control	Contract Audit : Due diligence	Defer to 2024-25
2023-24	Planned	Internal Control	Contract Audit : Low value contracts/Contract monitoring	Defer to 2024-25
2023-24	Planned	Risk Management	Fire and building safety - owned and occupied buildings	Defer to 2024-25
2023-24	Planned	IT & Information Governance	IT audit - Unit 4 Development Project	Defer to 2024-25
2023-24	Planned	IT & Information Governance	IT Audits - Key ICT (includes Cyber Security follow-up)	Defer to 2024-25
2023-24	Planned	IT & Information Governance	IT Audits : ONE Education System	Defer to 2024-25
2023-24	Planned	Governance	LLEP	Defer to 2024-25
2023-24	Planned	Internal Control	Procurement Bill	Defer to 2024-25
2023-24	Planned	Governance	Procurement Dashboard	Defer to 2024-25
2023-24	Planned	Internal Control & Governance	Revenue & Benefits Savings	Defer to 2024-25
2023-24	Planned	Internal Control & Governance	School Financial Audits - Madani Schools	Defer to 2024-25
2023-24	Planned	Internal Control	Schools Finance	Defer to 2024-25
2023-24	Planned	Internal Control	Transforming Cities Fund - TCF 1	Defer to 2024-25
2023-24	Planned	Internal Control	Transforming Cities Fund - TCF 2	Defer to 2024-25
2023-24	Planned	Internal Control	ULEV Taxi Infrastructure Scheme Project Grant	Defer to 2024-25
2023-24	Planned	Internal Control	Zero Emission Bus Regional Areas Grant	Defer to 2024-25
2023-24	Planned	Internal Control	Fostering & Adoptions	Cancelled
2023-24	Planned	IT & Information Governance	IT Audits : CRM/Gladstone	Cancelled



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## **Annual Insurance Report 2024**

Governance & Audit Committee

Date of meeting: 10<sup>th</sup> July 2024

Lead director: Director of Finance

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## Useful information

- Ward(s) affected: All
- Report author: Stuart McAvoy, Head of Finance
- Author contact details: 0116 454 4004; stuart.mcavoy@leicester.gov.uk
- Report version number: 1

### 1. Summary

This report:

- presents an overview of the Council's internal and external insurance arrangements;
- provides information on the claims received in recent years, and the results of the claims handling process.

### 2. Recommended actions/decision

The Committee is recommended to note the contents of the report, and the Council's approach to ensuring it is managing the financial risk associated with insurance claims.

### 3. Background

This report updates the information presented to the Audit & Risk Committee in November 2023.

### 4. Report

#### 4.1 Risk Financing

4.1.1 Risk Financing may be defined as the process by which the Council ensures sufficient funds are available to pay for financial losses, using the most cost effective sources of finance. For insurable risks (it should be noted that not all risks are insurable) this requires a balance between the amount of risk the Council is prepared to take, and the premium payable. The overall approach to risk financing is set out in the Risk Management Policy.

4.1.2 The most significant decision which affects this cost-risk balance is the level of "deductible" (excess) that the Council meets from its own resources. As with household policies, we can save money by taking a higher excess. High deductibles, however, also expose the Council to greater risk. The deductible is generally on a "per claim" basis, although the risk can be reduced further by including an aggregate limit which caps the total annual amount of the Council's exposure. The Council accepts very high deductibles, bearing the full cost of most claims itself, through the insurance fund (see below). This is because the Council is big enough to accept a

lot more risk than individual householders, and sees its external insurance primarily as cover for catastrophes.

4.1.3 Robust risk management across the organisation reduces both the amounts payable in self-insured amounts and the external premium charged. However, it is neither possible nor desirable to eliminate all risks from service delivery. An effective strategy for financing these residual risks is therefore required.

## **4.2 Financial Position – Annual Budgets**

4.2.1 Since 2020/21, the annual costs of insurance are held as a corporate revenue budget, outside departmental budgets. This funds the costs of external premiums, deductible payments on claims, and claims handling costs.

4.2.2 The 2024/25 budget stands at £2.5m, which covers both external insurance premiums and the cost of claims within the deductible.

4.2.3 Since October 2023, the Council no longer directly insures maintained schools. Instead, schools have access to a government-backed scheme (the Risk Protection Arrangement, or RPA) which is an alternative to insurance for schools.

## **4.3 Financial Position – Insurance Fund**

4.3.1 As claims received can show considerable variations between years, the Council also holds a corporate insurance fund to smooth out the impact of actual costs on the annual corporate revenue budget from year to year, and to ensure that funds are available to meet claims when they occur.

4.3.2 The Council's policy is to maintain sufficient funding to meet all claims on a "claims occurring" basis. This includes legal and other costs associated with defending the claim, as well as any compensation due to the claimant. As a minimum, therefore, the fund will hold:

- Amounts required for claims received but not yet settled;
- Amounts required for claims relating to events that have occurred, but no claim has yet been notified to the Council (e.g. a person who is injured has 3 years to bring a claim against the Council in most cases).

4.3.3 The amount required in the fund at any time can only ever be an estimate, and depends on a number of assumptions about liability and settlement amounts. The balance on the fund is reviewed at least annually, informed by officers' assessments of specific large claims and historical data. Further assurance is provided by an external actuary's report.

4.3.4 As at 31<sup>st</sup> March 2024, the balance on the insurance fund was £9.8m. For accounting purposes, this is split between a provision (for "known" claims) and an earmarked reserve for other costs, but in practice it is managed as a single fund.

## **4.4 External insurance**

4.4.1 In financial terms, the most significant classes of insurance are Property, Motor and Combined Liability (Employers' and Public Liability).

4.4.2 The insurance market remains difficult, with cost pressures arising across the market. The key drivers of this are outside the control of any single organisation:

- For property insurance, the increasing risk of adverse weather events (e.g. flooding and storms). These events can have huge costs for insurers, resulting in multiple large claims from a single event;
- For liability and motor insurance, the ongoing trend of increasing costs in the most serious injury cases.
- It is not yet clear what impact the recent issues around RAAC concrete will have on premiums nationally, as insurers react to the property and liability risks, however, the exposure of Leicester City Council in this regard is considered low.
- Personal injury claims are valued based on the Judicial Studies College Guidelines with the latest edition published in April 2024. This will lead to an average increase of 22% to any personal injury claim settled, regardless of incident date.
- The Personal Injury Discount Rate is due for review in 2024, having been last review in 2019. This figure is used to calculate how much defendants have to pay in damages to claimants in serious, life-changing personal injury cases, when damages are paid as a lump sum. This could lead to a percentage increase in damages being awarded in those cases.

4.4.3 A summary of the current package of insurance is attached at Appendix One. The main insurance contracts come to an end on 30<sup>th</sup> September 2024, and a retendering exercise is underway.

4.4.4 The market for buildings insurance for leasehold properties remains difficult, with only a limited number of providers prepared to offer cover. As a result of the previous provider withdrawing at short notice, a one-year policy was put in place for 2023/24. A successful tender process means there is now a 3 year policy in place.

## **4.5 Claims information**

4.5.1 The greatest numbers of claims arise from activities connected to Highways Maintenance, motor claims, and Housing services. This is because of the nature of these service areas, and does not imply poor performance.

4.5.2 The following tables provide a summary of the claims received in significant categories, and the results of the claims investigations, from the past 3 years.

4.5.3 For Highways-related claims, repudiation rates (i.e. the proportion of claims where liability is successfully denied) are generally over 80% once claims are finalised.

While reliable comparator data are not currently available, informal discussions with other authorities suggest that this is a significantly better result than the East Midlands average. Successful repudiation of Highways claims requires evidence of a robust inspection and repairs process, which provides a legal defence to these claims.

### Public Liability – Highways – Personal Injury

Financial Year	LCC at fault	No fault
2021-22	4 (8%)	44 (92%)
2022-23	7 (11%)	58 (89%)
2023-24	2 (4%)	45 (96%)

### Public Liability – Highways – Property Damage

Financial Year	LCC at fault	No fault
2021-22	5 (11%)	41 (89%)
2022-23	3 (4%)	76 (96%)
2023-24	3 (3%)	93 (97%)

### Motor Policy claims

Financial Year	LCC at fault	Third Party at fault	50/50 fault or no fault identified	Theft / vandalism against LCC vehicles
2021-22	117 (58%)	64 (32%)	16 (8%)	6 (3%)
2022 - 23	107 (57%)	47 (25%)	22 (11%)	13 (7%)
2023-24	99 (64%)	42 (27%)	14 (9%)	0 (0%)

### Public Liability – Council Housing

Financial Year	LCC at Fault	Contractor at Fault	No fault
2021-22	10 (16%)	1 (2%)	53 (83%)
2022 - 23	8 (11%)	2 (3%)	60 (86%)
2023-24	6 (7%)	1 (1%)	81 (92%)

4.5.4 Complex claims will often not be finalised until some years after the incident. As a result, the cost of claims arising in 2023/24 will not be finally known for some years. The amount actually *paid* from the insurance fund in each financial year (regardless of when the claim originated) on each of the major types of claim is shown below. (This does not include amounts met by insurers on large claims):

<b>Policy Type</b>	<b>2021/22 £000's</b>	<b>2022/23 £000's</b>	<b>2023/24 £000's</b>
Public Liability	460.1	663.0	814.0
Employer's Liability	365.4	337.0	73.6
Motor	168.2	214.2	222.6
General Property	206.5	46.3	70.8
Officials / Professional Indemnity	13.4	0	0
<b>Total</b>	<b>1,213.6</b>	<b>1,260.5</b>	<b>1,181.0</b>

4.5.5 Amounts paid in an individual year are variable; however, the greatest costs to the Council are from public liability, employer's liability and motor claims. Within this, employer's liability claims tend to be higher value per claim, but are fewer in number. Other classes of insurance claim have a relatively small financial impact in most years. Whilst we get more claims in respect of highways and housing, these tend to be of lower value.

## 5. Financial, legal, equalities, climate emergency and other implications

### 5.1 Financial implications

The report is concerned throughout with financial implications.

### 5.2 Legal implications

The report deals with insurance and the risks associated with insurance claims. The clients are best placed to assess such risks and the appropriate level of cover to put into place to protect the Council, and as such legal officers have not been involved in this part of the process.

If any insurance arrangements are changing, then this may affect the levels of cover that the Council expects from suppliers going forward and this should be reflected in any terms and conditions put into place.

In re-procuring any insurance policies, both Procurement and Legal services are to be engaged to ensure compliance with internal rules and the Public Contract Regulations 2015.

Mannah Begum - Principal Solicitor (Commercial)



### 5.3 Equalities implications

This report provides an overview of the Council's internal and external insurance arrangements, there are no direct equality implications arising from it. It is important that any claims process is accessible.

Surinder Singh - Equality Officer

### 5.4 Other implications

No other implications are noted as this is a briefing report and no policy changes are proposed.

## **6. Summary of appendices:**

Appendix One – Summary of External Insurance Cover

## **7. Is this a private report?**

No

## **8. Is this a “key decision”?**

No

## Summary of External Insurance Cover – as at July 2024

	<b>Main features of cover</b>	<b>Insurer</b>	<b>Deductible (per claim)</b>
General Property	Buildings & contents insurance; including works in progress, and increased cost of working following a claim	AIG	£100,000 (general) £1m for social housing stock
Industrial & Commercial Property	Buildings cover for properties owned by the Council and rented out to third parties (e.g. shops, industrial units).	AIG	£250
Casualty (Combined Liability)	a) Employer's Liability – legal liability for injury / illness to employees (plus others carrying out Council business, e.g. elected Members). Employer's Liability insurance is a legal requirement. b) Public Liability – claims for personal injury or property damage by external third parties c) Professional Indemnity – claims alleging that professional services or advice have not been carried out correctly.	QBE	£375,000  £375,000  £375,000
General Motor Fleet	Comprehensive motor policy for Council vehicles. Motor insurance is a legal requirement.	QBE	£200,000
Personal Accident / Travel	Personal accident cover for employees on Council business; travel insurance for employees on Council business	Chubb	N/A
Engineering & Inspection	Inspection contract to meet statutory requirements on equipment; and associated insurance cover	Aviva	N/A
Fine Arts	Specialist cover for museum & art gallery collections	Axa Art	Nil

Please note that the table above presents only a broad summary of the insurance arrangements, and not the full detail of cover or exclusions.

**Governance & Audit Committee**  
**Work Programme 2024 – 2025**

<u>Workplan Item</u>	<u>Author</u>	<u>Frequency</u>	<u>Purpose</u>
<b>7 August 2024</b>			
External Audit Plan 2024/25	Grant Thornton, External Auditor	Annual	Committee to note
External Audit - certification of grants and returns 2022/23	Grant Thornton, External Auditor	Annual	Committee to note
Procurement Annual Report 2023/24	Head of Procurement	Annual	Committee to note
Information Governance Annual Report 2023/24	Head of Information Governance and Risk	Annual	Committee to note
Regulation of Investigatory Powers Act 2000 - Bi-Annual Report - January – June 2024	Head of Information Governance and Risk	Bi-Annual	Committee to Note
Draft Statement of Accounts and Annual Governance Statement 2023/24	Head of Finance	Annual	Committee to note
<b>18 September 2024</b>			
Third Party Relationships and Governance update	Monitoring Officer	Periodic	Committee to note
Committee's skills assessment	Director of Finance	Annual	Approval
Internal Audit Plan 2024/25	Head of Internal Audit	Annual	Committee to note
Financial Sustainability	Head of Finance	Ad hoc	Committee to note
Local Government & Social Care Ombudsman and Housing Ombudsman Complaints & Corporate Complaints 2022/23 & 2023/24	Director of Corporate Services	Annual	Committee to note
Finance update, including 2023/24 External Audit Plan and audit progress	Head of Finance and Grant Thornton	Ad Hoc	Committee to note

Statutory Statement of Accounts and Annual Governance Statement 2023/24	Head of Finance	Annual	Approval
Cyber Security Incident Report (Private)	Director of Corporate Services	Ad hoc	Committee to note
<b>20 November 2024</b>			
External Audit Annual Report 2023/24 (the Value for Money report)	Grant Thornton, External Auditor	Annual	Committee to note
Risk Management Update	Manager, Risk Management	Bi-Annual	Committee to note
Internal Audit update report	Head of Internal Audit	Periodic	Committee to note
Counter Fraud Mid-Year Update	Corporate Investigations Manager	Annual	Committee to Note
<b>29 January 2025</b>			
External Audit - certification of grants and returns 2023/24	Grant Thornton, External Auditor	Annual	Committee to note
<b>12 March 2025</b>			
The Assurance Framework on which we will base the Annual Governance Statement 2025/26, including annual review of Local Code of Corporate Governance	Head of Finance	Annual	Approval
Risk Management Update	Manager, Risk Management	Bi-Annual	Committee to note
Risk Management & Business Continuity Strategy and Policies 2024	Manager, Risk Management	Annual	Approval
Regulation of Investigatory Powers Act 2000 - Bi-Annual Performance July-December 2023	Head of Information Governance and Risk	Bi-Annual	Committee to note
Internal Audit Update	Head of Internal Audit	Periodic	Committee to note
Committee's annual work / performance report and skills assessment	Director of Finance	Annual	Approval





# Item 11

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

