

Audit and Standards Committee

Thursday 24 March 2022 at 4.00 pm

Town Hall, Sheffield, S1 2HH

The Press and Public are Welcome to Attend

Membership

Councillors Sioned-Mair Richards (Chair), Simon Clement-Jones (Deputy Chair), Angela Argenzio, Mohammed Mahroof, Josie Paszek, Ben Curran and David Barker.

Independent Co-opted Members

Alison Howard.

PUBLIC ACCESS TO THE MEETING

The Audit and Standards Committee oversees and assesses the Council's risk management, control and corporate governance arrangements and advises the Council on the adequacy and effectiveness of these arrangements. The Committee has delegated powers to approve the Council's Statement of Accounts and consider the Annual Letter from the External Auditor.

The Committee is also responsible for promoting high standards of conduct by Councillors and co-opted members.

A copy of the agenda and reports is available on the Council's website at <http://democracy.sheffield.gov.uk>. You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. on Friday. You may not be allowed to see some reports because they contain confidential information.

Recording is allowed at meetings of the Committee under the direction of the Chair of the meeting. Please see the website or contact Democratic Services for details of the Council's protocol on audio/visual recording and photography at council meetings.

If you require any further information please contact Sarah Cottam in Democratic Services on 0114 273 5033 or email sarah.cottam@sheffield.gov.uk.

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

**AUDIT AND STANDARDS COMMITTEE AGENDA
24 MARCH 2022**

Order of Business

- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of the Press and Public**
To identify items where resolutions may be moved to exclude the press and public.
- 4. Declarations of Interest** (Pages 5 - 8)
Members to declare any interests they have in the business to be considered at the meeting.
- 5. Minutes of Previous Meeting** (Pages 9 - 12)
To approve the minutes of the meeting of the Committee held on 24 February 2022
- 6. Annual Audit Report 2020/21** (Pages 13 - 48)
Report of the External Auditors, Ernst & Young
- 7. Compliance with International Auditing Standards** (Pages 49 - 56)
Report of the Head of Strategic Finance
- 8. Education Healthcare Plan Update** (Pages 57 - 62)
Report of the Director of Education and Skills
- 9. Customer Services Contact Centre Performance** (Pages 63 - 70)
Report of the Director of HR and Customer Services
- 10. Annual Housing Ombudsman Complaints Report 2020/21** (Pages 71 - 80)
Report of the Director of HR and Customer Services / Director of Legal and Governance
- 11. Work Programme** (Pages 81 - 86)
Report of the Director of Legal and Governance.
- 12. Dates of Future Meetings**
To note that meetings of the Committee will be held at 5.00 p.m. on:-

16 June 2022
21 July 2022

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ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

If you are present at a meeting of the Council, of its executive or any committee of the executive, or of any committee, sub-committee, joint committee, or joint sub-committee of the authority, and you have a **Disclosable Pecuniary Interest (DPI)** relating to any business that will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

You **must**:

- leave the room (in accordance with the Members' Code of Conduct)
- make a verbal declaration of the existence and nature of any DPI at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.
- declare it to the meeting and notify the Council's Monitoring Officer within 28 days, if the DPI is not already registered.

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. You have a pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period* in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

*The relevant period is the 12 months ending on the day when you tell the Monitoring Officer about your disclosable pecuniary interests.

- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority –
 - under which goods or services are to be provided or works are to be executed; and
 - which has not been fully discharged.

- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) –
 - the landlord is your council or authority; and
 - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.
- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -
 - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
 - (b) either -
 - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If you attend a meeting at which any item of business is to be considered and you are aware that you have a **personal interest** in the matter which does not amount to a DPI, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent. You should leave the room if your continued presence is incompatible with the 7 Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; and leadership).

You have a personal interest where –

- a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing (including interests in land and easements over land) of you or a member of your family or a person or an organisation with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the Authority's administrative area, or
- it relates to or is likely to affect any of the interests that are defined as DPIs but are in respect of a member of your family (other than a partner) or a person with whom you have a close association.

Guidance on declarations of interest, incorporating regulations published by the Government in relation to Disclosable Pecuniary Interests, has been circulated to you previously.

You should identify any potential interest you may have relating to business to be considered at the meeting. This will help you and anyone that you ask for advice to fully consider all the circumstances before deciding what action you should take.

In certain circumstances the Council may grant a **dispensation** to permit a Member to take part in the business of the Authority even if the member has a Disclosable Pecuniary Interest relating to that business.

To obtain a dispensation, you must write to the Monitoring Officer at least 48 hours before the meeting in question, explaining why a dispensation is sought and desirable, and specifying the period of time for which it is sought. The Monitoring Officer may consult with the Independent Person or the Council's Audit and Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Gillian Duckworth, Director of Legal and Governance on 0114 2734018 or email gillian.duckworth@sheffield.gov.uk.

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Audit and Standards Committee

Meeting held 24 February 2022

PRESENT: Councillors Sioned-Mair Richards (Chair), Simon Clement-Jones (Deputy Chair), Angela Argenzio, Mohammed Mahroof, Ben Curran and David Barker

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1. APOLOGIES FOR ABSENCE

1.1 An apology for absence were received from Councillor Josie Paszek.

2. EXCLUSION OF THE PRESS AND PUBLIC

2.1 No items were identified where resolutions may be moved to exclude the press and public.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest made at the meeting.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meetings held on 25 January 2022 were agreed as an accurate record.

4.2 The Acting Chief Executive, Eugene Walker, informed the Committee the External Auditors, Ernst & Young, since producing the statement of accounts letter, had revised the letter. Therefore, Eugene, along with the Chair, Councillor Sioned Mair-Richards would need to sign the letter again, once received.

5. REVIEW OF THE PROCEDURE FOR DEALING WITH STANDARDS COMPLAINTS AND MEMBERS CODE OF CONDUCT

5.1 The Committee received a report of the Director of Legal and Governance.

5.2 The Director of Legal and Governance informed the Committee that the report mentioned was reviewed annually by the Audit and Standards Committee.

5.3 The report highlighted the current procedure when dealing with complaints against elected members. The report also outlined the current code of conduct which members adhered to.

5.4 The procedure for dealing with complaints and the code of conduct was last reviewed and agreed by Full Council in January 2021.

- 5.5 The Audit and Standards Committee carried out an Ethical Standards Workshop in September 2019 where they looked at the code of conduct, in which no changes were proposed. The Committee then carried out a Complex Case Workshop in November 2020 where they looked into the procedure for dealing with complaints, in which amendments were proposed, therefore the report included those amendments.
- 5.6 Members of the Committee raised questions and the key points to note were: -
- 5.7 The Director of Legal and Governance explained why there was different use of wording around whether something was a fixed timeframe, or whether a timeframe was aimed to be met. It was mentioned that some parts of the process were simple administration tasks, which meant a fixed timeframe had been agreed. Alternatively, where there were more complex stages of the process, it was reported that a timeframe would seek to be met. The Director of Legal and Governance added that the time it took for a third party to investigate a complaint could vary on each case, therefore it would be difficult to establish a timeframe.
- 5.8 A Member of the Committee thought there needed to be more clarity in the process for when timeframes were not met. It was mentioned that if a timeframe was not met, the complainant should receive in writing the reasoning for this, along with how long the timeframe was to be extended by.
- 5.9 A Member of the Committee thought it needed to be clearer that an elected member, who was subject to a standards complaint, were entitled to advice and support from the independent person. The independent person, David Waxman, believed the wording should state the independent person was in place to give further clarity on the process rather than support.
- 5.10 Another Member of the Committee suggested the wording stated that the independent person was available for advice on the process and additionally, that an elected member could receive support from other professionals, if they wished.
- 5.11 The Director of Legal and Governance added that members were entitled to the Council's counselling service. Therefore, there was support in place for an elected member, subject to a standards complaint, if necessary.
- 5.12 The Director of Legal and Governance agreed to redraft the process, subject to the points raised at 5.8 to 5.10 then circulate the proposed amendments to the Committee, for their consideration.

- 5.13 A Member of the Committee asked what consequence would occur if an elected member refused to fill in their declaration of interest form. The Director of Legal and Governance informed the Committee this was a criminal offence therefore it would be reported to the Police for further investigation.
- 5.14 Following a discussion around social media, regarding elected members posting comments that others may find offensive. The Committee agreed to carry out a Workshop, once the Government had published the legislation on this, to look into how the code of conduct could be amended to mitigate this.
- 5.15 **RESOLVED:** That the Committee
- (a) Commented on the proposed revisions to the Procedure for Dealing with Standards Complaints;
 - (b) With the inclusion of any additional revisions arising from the meeting, the Monitoring Officer would circulate the revised procedure for dealing with standards complaints to the Committee for consideration as noted in 5.12.
 - (c) further recommends to Full Council the adoption of the revised Procedure and that the Constitution is amended accordingly; and
 - (d) Refers the revised Procedure to the Parish and Town Councils for consideration and adoption.

6. ANNUAL STANDARDS REPORT

- 6.1 The Committee received a report of the Director of Legal and Governance.
- 6.2 The report highlighted details of the outcomes of the Standards complaints received from January to December 2021. This was reported to the Committee on an annual basis.
- 6.3 The report also mentioned that the 4-year term of independent persons was due to expire in September 2022. Therefore, an advert on becoming an independent person for the Audit & Standards Committee would soon be advertised.
- 6.4 It was mentioned that Parish and Town Councils operated under the same code as Sheffield City Council.
- 6.5 The report outlined what training and development had been carried out by members and what was still to be offered. This was subject to the free training package provided by the Local Government Association (LGA) following the Councils transition to a Committee

System. It was added that additional resource had been put into Democratic Services to support with training and development for members.

6.6 The Committee were informed that training and development would be monitored within the Governance Committees remit, post May 2022 although the Audit and Standards Committee will continue to monitor training and development around the code of conduct.

6.7 The Director of Legal and Governance hoped to receive support from each political group, if a member did not carry out mandatory training courses.

6.8 A Member of the Committee raised whether the report should specify whether a complaint was made against a Parish Council or Sheffield City Council, and whether it should be broken down into percentages of which political parties the complaints were made against. The Director of Legal and Governance explained that it was reported that way to protect individual councillors under the Data Protection Act. The Committee agreed to carry out a Workshop that looked into this further.

6.9 RESOLVED: That the Committee:-

(a) Comments on the Annual Report; and

(b) Approves the report for submission to Full Council.

7. WORK PROGRAMME

7.1 The Committee considered a report of the Director of Legal and Governance that outlined the work programme for the remainder of the municipal year. Members were asked to identify any further items for inclusion.

7.2 The Committee agreed to begin the next meeting of the Committee at 4.00 p.m. due to the number of items expected to be presented to the Committee.

7.3 **RESOLVED:** - that **(1)** the work programme be noted; **(2)** that the time of the next meeting be amended; and **(3)** the Workshop be carried out by the Committee as mentioned above at 5.14 and 6.8.

8. DATES OF FUTURE MEETINGS

8.1 It was noted that the next meeting of the Committee would be held on 24 March 2022.

Sheffield City Council

**Auditor's Annual Report
Year ended 31 March 2021**

24 March 2022



Building a better
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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website ([Terms of Appointment – PSAA](#)). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee and management of Sheffield City Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee and management of Sheffield City Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee and management of Sheffield City Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

Section 1

Executive Summary

Executive Summary: Key conclusions from our 2020/21 audit

Area of work	Conclusion
Opinion on the Council's:	
Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council as at 31 March 2021 and of its expenditure and income for the year then ended. The financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. We issued our auditor's report on 01 March 2022.
Going concern	We have concluded that the Executive Director of Resources use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Consistency of the other information published with the financial statements	Financial information published with the financial statements was consistent with the audited accounts.

Area of work	Conclusion
Reports by exception:	
Value for money (VFM)	We had no matters to report by exception on the Council's value for money arrangements. We have included our VFM commentary in Section 04.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Council.
Public interest report and other auditor powers	We had no reason to use our auditor powers.

Executive Summary: Key conclusions from our 2020/21 audit

As a result of the work we carried out we have also:

Outcomes	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	We presented an Audit Results Report to the Audit and Standards Committee on 20 January 2022. The report set out areas of audit work to be completed, when this work was substantially completed we provided an updated report alongside our opinion on 01 March 2022.
We have not yet issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2020 Code of Audit Practice.	We have not yet issued our certificate for 2020/21 as we have not yet performed the procedures required by the National Audit Office on the Whole of Government Accounts submission. The guidance for 2020/21 is delayed and has not yet been issued.

Fees

We carried out our audit of the Council's financial statements in line with PSAA Ltd's "Statement of Responsibilities of auditors and audited bodies" and "Terms of Appointment and further guidance (updated July 2021)". As outlined in the Audit Results Report we were required to carry out additional audit procedures to address audit risks in relation to the valuation of property, plant and equipment and misclassification of expenditure. As a result, we have proposed an associated additional fee which we will discuss with the Executive Director of Resources. We include details of the final audit fees in Appendix 1.

We would like to take this opportunity to thank the Council staff for their assistance during the course of our work.

Janet Dawson

Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and responsibilities

Purpose and responsibilities

This report summarises our audit work on the 2020/21 financial statements.

Purpose

The purpose of the auditor's annual report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on VFM arrangements, which aims to draw to the attention of the Council or the wider public relevant issues, recommendations arising from the audit and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

Responsibilities of the appointed auditor

We have undertaken our 2020/21 audit work in accordance with the Audit Plan that we issued on 20 July 2021. We have complied with the NAO's 2020 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the NAO.

As auditors we are responsible for:

Expressing an opinion on:

- The 2020/21 financial statements;
- Conclusions relating to going concern; and
- The consistency of other information published with the financial statements, including the annual report.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the Council;
- If we identify a significant weakness in the Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and
- Any significant matters that are in the public interest.

Responsibilities of the Council

The Council is responsible for preparing and publishing its financial statements, narrative statement and annual governance statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit



Financial Statement Audit

We have issued an unqualified audit opinion on the Council's 2020/21 financial statements.

Key issues

The Annual Report and Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

On 01 March 2022, we issued an unqualified opinion on the financial statements. We reported our detailed findings to the 20 January 2022 Audit and Standards Committee meeting. We outline below the key issues identified as part of our audit, reported against the significant risks and other areas of audit focus we included in our Audit Plan.

Significant risk	Conclusion
Misstatements due to fraud or error - management override of controls An ever present risk that management is in a unique position to commit fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	We did not identify any: <ul style="list-style-type: none">material weaknesses in controls or evidence of material management override;instances of inappropriate judgements being applied; orother transactions during our audit which appeared unusual or outside the Sheffield City Council's normal course of business.
Misclassification of revenue or expenditure, including accounting for Covid-19 related government grants Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have identified an opportunity and incentive to capitalise expenditure under the accounting framework, to remove it from the general fund.	We did not identify any: <ul style="list-style-type: none">material instances of incorrect capitalisation of revenue expenditure;instances of expenditure incorrectly classified as REFCUS;instances of journal entries incorrectly moving expenditure items to capital codes; ormaterial issues or unusual transactions to indicate any misreporting of the Council's financial position. <p>Our discussions with management identified that the accounting for infection control grants was inconsistent with our expectations and as such management have agreed to amend to show these grants to be treated with the Authority acting as principal rather than agent. The total amendment required was £12.6m</p>
Valuation of fair value land and buildings Land and buildings is the most significant balance in the Sheffield City Council's balance sheet. The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a material impact on the financial statements.	We reviewed the methodology used and assumptions applied through use of, and consultation with, our EY Real Estate specialists. Our testing of the information sent to the valuer, the application of the valuation methodology and reporting in the financial statements did not identify any issues to report.

Financial Statement Audit (continued)

In addition to the significant risks we also concluded on the following areas of audit focus.

Other area of audit focus	Conclusion
<p>Property, plant and equipment - Valuation of EUV, EUV-SH and DRC Assets</p> <p>Given their more formulaic nature and less reliance on market value, we do not consider there to be a significant risk associated with the valuation of PPE assets where the valuation methodology is Depreciated Replacement Cost (DRC), Existing Use Valuations (EUV) and Existing Use Valuation for Social Housing (EUV-SH). However, as there is still an element of judgment and estimation involved we do consider there to be a higher inherent risk</p>	<ul style="list-style-type: none"> • Our testing of the information sent to the valuer and the application of the valuation to the financial statements raised no issues to report. • At the commencement of the audit fieldwork in this area an unusual balance was identified which indicated a formula error in the Council's workpapers. Management corrected this to enable us to be able to start our substantive testing. The total adjustment made in relation to this was £53.4m. • Subsequent to the publication of the draft financial statements, more recent data became available in relation to the Housing Price Index (HPI) as at 31 March 2021. This fluctuates each month and therefore, in order to represent the most accurate valuation close to the signing date, management updated their valuation based on the index as at December 2021. This has resulted in management processing an update to the financial statements with a net decrease of £5.9m when compared with the index based on the HPI data downloaded in June 2021
<p>Valuation of investment Properties</p> <p>Investment property assets are valued at fair value. Whilst there is a greater estimation risk associated with these assets, and more judgement exercised by property valuers, the Council's portfolio comprises of two assets, which in total are less than our planning materiality, but are still significant at a value of £19m.</p>	<p>Our review of the contract underlying the valuation for Small Format advertising space has identified that the valuation of the Investment Property is understated. The valuation provided by the external valuers has been provided without recognition of the provision of an amount of advertising space that remains at the use of the Council. Our internal valuation specialists have proposed a range for the judgemental misstatement as between £1.8m and £3m.</p>
<p>Pension Liability valuation</p> <p>The pension liability is a material balance in the Balance Sheet. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>Our work on the liabilities recognised, and the assumptions underpinning them, have raised no significant issues.</p> <p>The pension fund auditor has alerted us to an unadjusted error of £9.7m in relation to the return on investment assets within the financial statements of the South Yorkshire Pension Authority. If processed this would lead to a reduction in the Council's defined benefit liability of £2.6m, representing the SCC share of the fund.</p>

Continued over.

Financial Statement Audit (continued)

Other area of audit focus	Conclusion
<p>PFI and Service Concession Arrangements</p> <p>The Council has a number of PFI and service concession arrangements which include several judgements made by management resulting in the accounting treatment shown in the financial statements. The arrangements are supported by complex models to calculate the figures to be included in the financial statements each year.</p>	<p>No issues identified in this area.</p> <p>In the current year audit we confirmed management had processed errors identified in the prior year audit. These errors totalled £2.5m and were reported in our Audit Results Report in 2019/20.</p>
<p>Going concern</p> <p>The Council is required to carry out an assessment of its ability to continue as a going concern for the foreseeable future, being at least 12 months after the date of the approval of the financial statements. There is a risk that the Sheffield City Council's financial statements do not adequately disclose the assessment made, the assumptions used and the relevant risks and challenges that have impacted the going concern period.</p>	<p>We agreed with management's assessment that the Council remains a going concern. We were satisfied that the disclosures appropriately presented their assessment and the risks and assumptions management have considered in producing this. We were also satisfied with the disclosures included in the financial statements in relation to the basis of preparation of the accounts. The Council provided cash flow projections to the end of March 2023, demonstrating that the Council forecasted continued liquidity beyond the period of our assessment.</p> <p>As at 31 March 2021 the Council had general and earmarked reserves (inclusive of school's balances) of £374.5m. Over the period to 31 March 2023, the Council is planning to use an amount of reserves that is significantly higher than has been required in previous financial years to balance its budget.</p> <p>However, the Council has set a limit on the reserves being used and is working to identify detailed saving plans to ensure that the use of reserves remains within that limit. Reserves that are earmarked for specific purposes and needs will remain intact, leaving over £150m to maintain the financial sustainability of the Council in the medium term. Whilst there is risk in the use of reserves, and the use of reserves to maintain a balanced budget is not sustainable in the longer term, the level of reserves currently forecast through to 31 March 2023 is considered to be sufficient to ensure that the Council is a going concern.</p>

Financial Statement Audit (continued)

Audit differences

The following misstatements were identified which management has corrected in the financial statements:

- £12.6m adjustment to both service income and service expenditure in respect of Covid Grants that had been treated where the Council was acting as Agent, but substance the underlying arrangement suggested the Council was principal.
- £5.9m reduction in the valuation of Council Dwellings as part of agreed exercise for management to review the constituent Housing Price Index as close as practicable to the opinion date.
- Due to a formula error in a spreadsheet, the draft statements included an overstatement of the gain on revaluation on PPE. The required adjustment related to this totalled £53.4m. The opposite entry was a reduction in the (Surplus) / deficit on revaluation of non-current assets within the CIES.

We also noted misstatements of a disclosure nature that management amended; these impacted Note 7 - Expenditure and Income Analysed by Nature, Exit Packages, related party transactions and the Expenditure Funding Analysis..

We also identified the following misstatements which have not been corrected by management:

- £2.6m SCC share of unadjusted error identified by the auditor of South Yorkshire Pension Authority in relation to a £9.7m overstatement of Pooled Investment Vehicles.
- £3m of 2020/21 expenditure omitted from accruals in line with SCC procedures to account for expenditure as it is disbursed where that expenditure is broadly consistent on a monthly and annual basis.
- £2.4m understatement of investment properties based on the midpoint of a range of values proposed by our internal valuation specialists.
- £3.27m understatement of Council Dwellings based on analytical procedures performed by the audit team to assess variants of beacon properties that were not included in the annual valuation process.
- Turnaround impact of Prior Year errors not adjusted – unadjusted increase of £9.7m to the surplus. This is the net position of 11 items ranging in impact from £1.6m to £19.2m.

Management decided not to adjust for these audit differences on the grounds of materiality and included their justification in the letter of representation.

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £26.1m as 1.8% of gross revenue expenditure reported in the accounts. We consider gross revenue expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.
Reporting threshold	We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.3m.

Section 4

Value for Money

Value for Money (VFM)

<hr/> <p>We identified risks of significant weaknesses in the Council's VFM arrangements for 2020/21</p> <hr/>	<p>Scope and risks</p> <p>We have complied with the NAO's 2020 Code and the NAO's Auditor Guidance Note in respect of VFM. We presented our VFM risk assessment to the 20 July 2021 meeting of the Audit and Standards Committee which was based on a combination of our cumulative audit knowledge and experience, our review of Council committee reports, meetings with the Executive Director of Resources and evaluation of associated documentation through our regular engagement with management and the finance team. We updated our finalised assessment in the Audit Results Report presented in January 2022. We reported that we had identified risks of significant weakness in the Council's VFM arrangements concerning Financial Sustainability, Governance and Improving economy, efficiency and effectiveness, with specific links drawn to the Council's regeneration schemes: West Bar and Heart of the City.</p>
<hr/> <p>We had no matters to report by exception in the audit report</p> <hr/>	<p>Reporting</p> <p>We completed our planned VFM arrangements work in early 2022 and did not identify any significant weaknesses in the Council's VFM arrangements. As a result, we had no matters to report by exception in the audit report on the financial statements.</p>
<hr/> <p>Our VFM commentary highlights relevant issues for the Council and the wider public.</p> <hr/>	<p>VFM Commentary</p> <p>In accordance with the NAO's 2020 Code, we are required to report a commentary against three specified reporting criteria:</p> <ul style="list-style-type: none">• Financial sustainability How the Council plans and manages its resources to ensure it can continue to deliver its services;• Governance How the Council ensures that it makes informed decisions and properly manages its risks; and• Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Introduction and context

The 2020 Code confirms that the focus of our work should be on the arrangements that the audited body is expected to have in place, based on the relevant governance framework for the type of public sector body being audited, together with any other relevant guidance or requirements. Audited bodies are required to maintain a system of internal control that secures value for money from the funds available to them whilst supporting the achievement of their policies, aims and objectives. They are required to comment on the operation of their governance framework during the reporting period, including arrangements for securing value for money from their use of resources, in a governance statement.

We have previously reported the VFM work we have undertaken during the year including our risk assessment. The commentary below aims to provide a clear narrative that explains our judgements in relation to our findings and any associated local context.

For 2020/21, the significant impact that the Covid-19 pandemic has had on the Council has shaped decisions made, how services have been delivered and financial plans have necessarily had to be reconsidered and revised.

We have reflected these national and local contexts in our VFM commentary.

Financial sustainability

The Council has had the arrangements we would expect to see to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Based on our review of Council minutes, documents and reports presented at relevant Committee meetings, the Council has the arrangements in place that we would expect to see to enable it to carry out its plan and manage its resources effectively. This ensures that the Council can continue to deliver its services.

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

As part of the Council's budget setting process, each service is required to develop Budget Implementation Plans (BIPs). These BIPs detail the Council's spending for the year ahead showing the activities to be undertaken, anticipated pressures and savings to be delivered. These identified pressures per service are quantified.

The Council's Corporate Management Team (CMT) comprising the Chief Executive, Executive Directors and the Directors of Public Health and Policy, Performance and Communications and Cabinet Member Representatives, have the responsibility to provide strategic direction. This will include formulating the Council's Medium Term Financial Analysis (MTFA) in order to ensure that adequate resources are available to meet the Council's objectives. The MTFA is a four year financial projection of the Council. The annual budget setting process also informs the MTFA, which is subsequently reviewed annually.

Financial sustainability (continued)

Budgets are monitored by EMT and Cabinet after each section of the Council has analysed sectional expenditure. Towards the financial year-end, identified pressures during the year (noted from the budget monitoring process) are considered and factored into the MTFA.

How the body plans to bridge its funding gaps and identifies achievable savings

Within the existing statutory and regulatory framework, it is the responsibility of the Executive Director of Resources to ensure that the Council has an adequate level of reserves and that there are clear protocols for their establishment and use. The budgets are monitored by EMT and Cabinet. The analysis entails scrutiny over budget line items such whether they are of an income or expenditure nature. Owners of the budget line items make representations to the Overview and Scrutiny Management Committee citing any challenges or opportunities influenced by the status quo.

Our review of the various meeting minutes during 2020/21 and discussions with officers noted that a potential funding gap arose due to Covid-19 and other pressures within Adult Social Care. At times the gap has totalled £74m for 2020/21 alone. Whilst Central Government support has been forthcoming for 2020/21, and for the early part of 2021/22, future funding is not certain and therefore it is not clear that there will be sufficient ongoing support to all costs of and lost income from COVID-19. The Council actively continues to identify and appraise the feasibility of cost reduction plans over the medium term.

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Council follows a business planning process that ensures that it defined its priorities and outcomes. Members and officers allocate the Council's resources in a way that aligns with these priorities and outcomes. Council services and commissioners then set clear objectives and targets that reflect the priorities, outcomes, and the level of resource allocated.

The Council sets fees and charges for a wide range of the services and goods that it provides. The income that is generated from this is a major source of funding that helps to deliver the Council's key priorities as set out in the Corporate Plan. The Council prepares the Corporate Plan that sets out the vision for the Council and Sheffield. It includes what the Council will do over the next three years in order to deliver the vision.

Financial sustainability (continued)

The MTFA links strongly to the Corporate Plan and the Corporate Plan drives the spending priorities that inform the MTFA. This includes allocating the overall expenditure budgets for Locality Areas. The Director of Finance and Commercial Services and the Head of Strategic Finance are responsible for producing the MTFA in conjunction with Executive Directors and recommends measures to the Executive that support the Corporate Plan. This is supported by policy options, savings and efficiencies, and both financial and non-financial information to assist decision-making.

The MTFA sets an integrated financial plan for at least a three year period and forms the foundation of the Annual Revenue Budget and Capital Programme for the next year and projections for at least the following two years.

How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The Council's Executive Management Team (EMT¹) and Cabinet Members have the responsibility for formulating the Council's Medium Term Financial Analysis in order to ensure that adequate resources are available to meet the Council's objectives. All Directors liaise with their sections and come up with budgets which cover all aspects of delivery including workforce, investment and capital. These are then consolidated and deliberated by the EMT ensuring coherence amongst the various sub budgets and the Council's Strategy. The three elements to the financial planning are the MTFA, Annual Revenue Budget and Capital Programme. The Revenue Budget in conjunction with the capital strategy, is put forward to the Overview and Scrutiny Management Committee annually, and it is in this meeting that coherence questions are addressed. It is then also approved and discussed in the full Council meeting.

The MTFA will set an integrated financial plan for at least a three year period and will form the foundation of the Annual Revenue Budget and Capital Programme for the next year and projections for at least the following two years. This will include cash allocation or financial targets for Executive Directors for the forthcoming financial year and guideline allocations / targets for the following two years. The MTFA will also include projections of the Council's reserves and balances.

¹ title of this group correct for financial year 2020/21

Financial sustainability (continued)

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

The risk management framework used by Sheffield City Council sets out the methodology and overall approach to managing risk within services, Portfolios and across the Council. The Audit & Standards Committee and internal audit have responsibility for considering the effectiveness of the risk management strategy throughout the authority. The Council also produces a Corporate risk register which identifies all current risks (including financial) facing the council, assigns a risk score based on probability and impact, and outlines the strategy put in place to mitigate the risk. In line with the requirements of the Council's Risk Management Framework:

- as part of the audit planning process, Executive Directors are responsible for managing risk and for informing Internal Audit of the risks that are prevalent in their area. They are also responsible for agreeing and implementing relevant Audit recommendations;
- Directors are responsible for maintaining and monitoring a Service Risks and Assurances log which must include financial risks.

Executive Directors are responsible for identifying and controlling risks in their area and significant financial risks should be reported to the Directors of Business Strategy. The Director of Finance & Commercial Services will report the most significant of these risks to the Council's Executive Management Team on a monthly basis and key risks will be summarised and reported to Members in quarterly budget monitoring reports.

Directors are responsible for their assigned risks as Risk owners. The Risk Register is a living document with action plans stating mitigating factors to manage identified risks. The Risk Register is reviewed annually assessing risk scores and whether Risk Owners have implemented mitigating plans as appropriate.

We identified Financial Sustainability as a significant risk for VFM. From our review we noted a potential risk on expenditure and budget arrangements as a result of government funding and the impact of Covid-19. Whilst Central Government support has been forthcoming for 2020/21, and for the early part of 2021/22, at the time of writing there is no clear indication of whether this support will cover the costs of and lost income from COVID-19 thereby impacting the reserves of the Council.

There was adequate evidence that the Council had adhered to governance processes for setting the 2020/21 budget and MTFAs. Reasonable assumptions were made in preparing the budget and subsequent monitoring mechanisms were in place to enable the Council to take a proactive approach to deviations from the approved budget. Covid-19 pandemic related expenses dominated the budget monitoring process. Whilst the impact of coronavirus was not initially considered for 2020/21 due to uncertainties, the Council developed a response and recovery plan during the year as more information and guidance became available.

Financial sustainability (continued)

The Council continuously monitored the situation and revised the plan quarterly, reporting to EMT and Cabinet.

Operations were impacted by Covid-19 as some services demanded more financial resources (People and Place Portfolios) whilst others were reduced (administration expenses). Covid-19 related expenses were alleviated by:

- savings from reduced operations caused by Covid-19 lockdown;
- the Council's own savings realised from deployed cost cutting mechanisms, and
- government funding specifically for Covid-19 related expenses, alongside specific funding provided by government for other services such as the Major Sporting Facilities grant.

As a result, financial sustainability in 2020/21 was not significantly impacted. However, at the time of reporting, there are uncertainties concerning future government funding which may put a strain on financial sustainability in the near future, as Covid restrictions ease and service requirements are reassessed post pandemic. A greater percentage of reserves have already been earmarked for specific purposes and therefore the Council's financial flexibility may be further constrained to address financial pressures. We will continue to assess the risk to the financial sustainability of the Council during our work for 2021/22.

The Council has the arrangements in place that we would expect to see to enable informed decisions, an effective process for the annual budget setting process and budgetary control, and monitoring to ensure appropriate standards are maintained.

Governance

For 2020/21, the Council has the arrangements in place that we would expect to see to enable informed decisions, an effective process for the annual budget setting process and budgetary control, and monitoring to ensure appropriate standards are maintained.

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Council's internal auditors provide an independent appraisal function for the review of internal control systems. Internal Audit undertakes reviews of the main financial and operational systems of the Council, based on a risk analysis of the functions undertaken by service areas. Certain aspects of key financial systems are reviewed on an annual basis. Internal Audit also undertakes fraud investigations and other ad hoc responsive investigations relating to the Council's control framework. This element of its work also contributes to the maintenance of a sound system of internal financial control. The internal audit review did not indicate any lack of controls that were not mitigated or addressed.

The Council has clear and disclosed policies on tackling fraud on the Council's Intranet, which cover the following areas: Anti-fraud and Corruption Policy Statement and Strategy, Fraud Risks, Fraud response Plan, Anti-Money Laundering Policy, Anti-Bribery Policy, Know Your Customers, and Guidance to schools on fraud. Internal Audit is required to be informed of all thefts and frauds by service management as they occur. To ensure that this process works well, it is supported by key corporate services such as Business Change and Information Services and HR reporting on issues to Internal Audit as they become aware of them.

Internal audit prepares an annual Internal Audit Annual Fraud Report to inform the Audit and Standards Committee of the outcomes of the work undertaken by Internal Audit on fraud and corruption.

How the body approaches and carries out its annual budget setting process

The budget setting process is performed annually. As part of the Council's budget setting process, each service is required to develop Budget Implementation Plans (BIPs). These BIPs will detail the Council's spending for the year ahead showing the activities to be undertaken, anticipated pressures and savings to be delivered. These identified pressures per service are quantified. Budgets are monitored during the year by reporting to EMT and Cabinet.

Governance (continued)

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.

Revised budgets for the year (if any) go to the relevant scrutiny committees and then a summary of performance is presented to members of the Executive by the S151 officer and any actions arising from this are discussed and agreed by Members, which are then taken into account by finance in terms of preparing for the next budget update. Finance has its own monitoring mechanisms in place which occur on a monthly basis. Any outliers resulting from monthly outturn reports are dealt with, where possible in the normal course of business by the respective budget holders and their service accountants. Financial performance is measured and monitored throughout the year by EMT and Cabinet.

The MTFA is a four-year financial projection of the Council. The annual budget setting process also informs the MTFA which is subsequently reviewed annually. Budgets are monitored by the EMT and Cabinet after each section of the Council has analysed departmental expenditure. Towards the financial year end, identified pressures during the year are considered and factored into the MTFA.

In addition to the above, the Council has three other scrutiny committees that deal with non-financial performance matters relating to fundamental services namely: Children, Young People and Family Support Scrutiny and Policy Development Committee; Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee, and South Yorkshire, Derbyshire and Nottinghamshire Joint Health Overview and Scrutiny Committee. The committees meet on a quarterly basis to review and assess matters concerning their portfolios inline with the Council's objectives. The financial impact (if any) is also assessed and remedial action taken as appropriate.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee.

When Key Decisions are to be discussed or made, these are published in the Cabinet's Forward Plan (published towards the end of each week and is a list of the key and non-key Executive Decisions that will be made over the forthcoming three to four month period) in so far as they can be anticipated. These major decisions are to be discussed with Council Officers at a meeting of the Cabinet, and is open for the public to attend except where personal or confidential matters are being discussed. The minutes of the meetings are also available on the Council's website once approved.

Governance (continued)

Furthermore, the Council has the Audit and Standards Committee which was set up with the mandate to oversee and assess the Council's risk management, control and corporate governance arrangements and advise the Council on the adequacy and effectiveness of these arrangements. To the extent that the Audit and Standards Committee is concerned about unexpected outcomes, it will advise Council leadership to engage experts as necessary to give counsel or undertake an exercise as appropriate.

The Leader and Cabinet must make their decisions in accordance with the principles set out in the Constitution in line with the Council's overall policies and budget. If they wish to make a decision that is outside the budget or policy framework, this must normally be referred to the Council to decide. We identified the West Bar Regeneration Project and the Heart of the City Capital project as part of key decisions made the Council in 2020/21.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

The Council has adopted a number of codes and protocols that govern the standards of behaviour expected of members and officers namely, Employee Code of conduct, Members Code of Conduct, Code of Corporate Governance. The Council has to maintain a Statutory Register of Member's interest, which includes the declarations from councillors of any gifts and hospitality which they have accepted over the value of £50 within 28 days of acceptance. Furthermore, the Members' Code of Conduct requires them to register their disclosable pecuniary interests and other interests. These registers are kept individually on their webpages and is also open for inspection by the public during normal office hours at the Town Hall.

Furthermore, at the beginning of each meeting, all participants are required to declare any interests that maybe related to the matters to be discussed.

Governance (continued)

West Bar is a triangular area within the City and is privately owned and to be developed by Urbo Ltd. Urbo Ltd had intended to undertake redevelopment of the area but faced financial challenges to get the project started. The Council decided to assist, as it was determined that the project's success is key to the City's development considering the Heart of the City II Project already underway.

The project was then divided into phases and the developer identified a financier for the first phase of the project. However, to finance such a project, the financier required a signed lease for the proposed building to be in place.

The Council undertook to sign the lease for sub-letting, effective November 2023, when the building is expected to be completed: in effect, the Council guaranteed the lease of the building subject to a number of conditions being satisfied. The Council, through the developer, then then secured a rental guarantee loan from South Yorkshire Mayoral Combined Authority which is equivalent to acquired the expected rentals for the first six months of the lease term.

The Council sought approval from Cabinet to enter into an agreement for a lease with the financier. Prior to this, the Council engaged Cushman & Wakefield to advise on the transaction. They performed a risk assessment, outlining risks associated with the arrangement, noting mitigating plans already in place and advising on areas where no mitigating measures had been identified.

The Council gave Cabinet sufficient information at the time to make an informed decision. We noted no exceptions to report for the arrangements in place for 2020/21.

Improving economy, efficiency and effectiveness

The Council has had the arrangements we would expect to see to enable it to use information about its costs and performance to improve the way it manages and delivers services.

How financial and performance information has been used to assess performance to identify areas for improvement.

The process in respect of performance monitoring is very similar to finance monitoring: variances against outturn are reported and monitored with reasons for variances (both positive and adverse) provided against each indicator, and any resulting actions agreed are then put into place by the respective department responsible for the indications in question. For the most part, adverse indicator variances are dealt with promptly by the appropriate officer/service line head prior to reporting to Members. Performance monitoring is not as regularly reported.

The MTFA is a four-year financial projection of the Council. The annual budget setting process also informs the MTFA which is subsequently reviewed annually. Budgets are monitored by EMT and Cabinet after each section of the Council has analysed departmental expenditure. Towards the financial year end, identified pressures during the year (noted from the budget monitoring process) are considered and factored into the MTFA.

Areas identified to have had challenges, be they financial or performance related, are flagged and reported to the respective committee for further analysis and monitoring together with proposed remedial action to enhance effective, efficient and economic performance. The respective Director for whose portfolio is under scrutiny has to report on progress regularly to the committee pending the matter being closed, with an action plan tracked for improvements.

How the body evaluates the services it provides to assess performance and identify areas for improvement

The Council has a business planning process that is designed to align service activity and objectives to strategic priorities. Service Plans align with the priorities for Cabinet Members. A quarterly performance monitoring process tracks progress against the Council's priorities and highlights any potential risks and issues in achieving these. Performance management information about key objectives is also provided regularly to Cabinet members and may also be considered by Members at the Overview and Scrutiny Management Committee. The Council also prepares a Corporate Plan that sets out the vision for the Council and Sheffield. It includes what the Council will do over the next three years in order to deliver the vision.

The MTFA links to the Corporate Plan and the Corporate Plan drives the spending priorities that inform the MTFA. This includes allocating the overall expenditure budgets for Local Areas. The Director of Finance and Commercial Services and the Head of Strategic Finance are responsible for producing the MTFA in conjunction with Executive Directors and recommends measures to the Executive that will support the Corporate Plan. This is supported by policy options, savings and efficiencies, and both financial and non-financial information to assist decision-making.

Improving economy, efficiency and effectiveness (continued)

Furthermore, there are committees that meet on a monthly basis to review and discuss the various Council service offerings including assessing progress against mandates, noting areas of improvement and establishing remedial actions. To the extent necessary, the committees also discuss any financial concerns relating to the service offerings. Depending on the gravity of the matter(s) discussed, Cabinet and Council will discuss further and implement appropriate actions as guided by the Constitution.

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Executive Management Team (EMT¹) comprises the Chief Executive, Executive Directors and the Directors of Public Health and Policy, Performance and Communications, and provides strategic direction. It deals with key corporate issues and strategic service issues. It makes decisions, formulates recommendations for the political leadership, and gives a steer on policy issues where this is necessary. EMT can make managerial decisions on how the Council operates or on the application of policy that has already been politically agreed, but not set new policy which is the role of elected members. The Council will take steps to help ensure high standards of ethical behaviour are adopted in partnerships of which it is a member. This will be done through applying the appropriate elements of this framework to all partnership working, where it is relevant to do so. With regard to partnership working, responsibility for Codes of Conduct and policies of this nature (and so for enforcement action for breach of those codes or policies) generally lies with the relevant individual organisation in the partnership.

The significant partnership to note is Sheffield Joint Health and Wellbeing Board which is a partnership between Sheffield City Council, the NHS and a range of partners in the city that aims to deliver a single approach to improving the health & wellbeing of Sheffield residents. The Board has 4 formal public meetings a year, which members of the public can attend and ask questions. It also has a number of Strategy Development sessions throughout the year which are open for members of the public to observe. The Board has also publishes an updated Joint Health & Wellbeing Strategy for Sheffield currently covering the period 2019-24

Furthermore, the Council has established a Sheffield Partnership Board which includes independent members of the Council working together with the Council Leadership including the CEO in their capacity as the Director of Policy and Performance and Communications. The Board has regular meetings to review and analyse performance of partnerships and assess their effectiveness inline with their set mandates. The minutes to the meetings are published on the Sheffield City Board Partnership website. Areas of concern are noted and monitored by the Board and prescribed action is advised for remedy.

¹ title of this group correct for financial year 2020/21

Improving economy, efficiency and effectiveness (continued)

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

The Constitution of the Council contains the procurement strategy, the procurement process and ensuring proper process are in place and approval is given as per the processes are the responsibility of the Director of Finance & Commercial Services. The procurement strategy used on all tendering for every Contract with a Contract Value over £25,000 (Goods and Services) or over £50,000 (Works) must be consistent with this Order and any relevant legislation and this must be confirmed by the Director of Finance and Commercial Services. Where appropriate, the financial, human resources, legal and equalities implications must be agreed with the relevant department before the procurement strategy is presented to the Director of Finance and Commercial Services. Where it is known that for a Contract with a Contract Value under these financial thresholds a Procurement Professional will be allocated to undertake the procurement exercise.

During the Financial Period under review, we noted capital expenditure that includes a number of the redevelopments either in progress or planned as part of the Council led Heart of the City II, which has an approved capital budget of £469m. The project includes a wide range of large and small retail, leisure, office and residential outlets in the city centre. Due to the size and nature of the project, there is a risk that the potential expenditure may not be in accordance with the relevant legislation, standards and policies. In addition, given the impact of Covid-19 on the Council's finances leading to financial constraints, efficient, effective and economic use of resources is critical and therefore an extended review of these capital projects is necessary to ascertain whether the appropriate legislation, standards and internal policies were applied.

Heart of the City II is a regeneration project aimed at developing SCC's city centre by developing idle and dormant buildings therein. The aim is to rehabilitate the area for economic activity. The first phase of the project was completed in 2019 and has since been occupied by various tenants. The second phase and the largest of all has since begun with the Council committing significant funds towards this phase. During the planning of the SCC 2020/21 Audit, we noted that the economy, efficiency and effectiveness of the project needed to be assessed to determine if there is any impact on our VFM arrangements reporting.

The Council has a monitoring mechanism in place to assess the project on a continuous basis. The project plan implementation was also designed on a phased approach which helps with the management of costs and assessing the viability of each phase prior to commencement factoring present day economic circumstances. This allows the project to be flexible in case there is need for changes to be made in light of present economic circumstances. The Council engages professional experts' opinion to guide the Council's decision-making process when required.

Improving economy, efficiency and effectiveness (continued)

There is sufficient evidence to conclude that the Council does evaluate the performance of the project and continuously identifies areas of improvement on an ongoing basis, despite there being no requirement for such monitoring in the SCC Constitution.

The financial and economic benefits of the project are reported in the Capital Budget Book annually (equivalent to MTFAs) and are revised on an ongoing basis. The Council has also been transparent with the process through public consultations and creating a dedicated website which provides all relevant updates concerning the project. Therefore for the 2020/21 period, there is no identified exception to report on the VFM arrangements.

However, the Council's decisions concerning the project need to be monitored on an ongoing basis to confirm their decisions have no impact on the future Value for Money conclusions especially the financing of the project. This is because the project has been structured such that completed projects will fund the remainder of the project as they start to generate income.

The Council has agreed a recommendation which we will follow up as part of our 2021/22 VFM arrangements work.

The Council faces further challenge and change beyond 2021 which will form part of our 2021/22 VFM arrangements work.

Recommendations

As a result of the VFM procedures we have carried out we have agreed the following recommendation with the Council:

Recommendation 1 – Budget Monitoring

Whilst Covid-19 did have an impact on the Council's budgets, this was lessened by reduced operations, the Council's cost cutting initiatives and government funding specifically to aid relief. Overall, the Council achieved a £0.2m underspend.

However, the financial challenges facing the council remain and post pandemic demand for services is high, whilst future central government funding to support high spending services within the Council is uncertain. In 2021/22 the Council has budgeted to use general fund balances to fund budget deficits. This is projected to continue in 2022/23 and the ability to achieve recurring savings will shape projections for a balanced budget thereafter. Monitoring and maintaining spend in line with the budget, including the delivery of the identified budget savings will be a significant challenge.

Therefore, robust forecasting and budgeting, effective savings planning and ongoing financial controls will be required to ensure that future financial sustainability is maintained.



Section 5

Other Reporting Issues

Other Reporting Issues

Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it complies with relevant guidance.

We completed this work and did not identify any areas of concern.

Whole of Government Accounts

We have not yet performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts consolidation pack submission. The guidance for 2020/21 is yet to be issued. We will liaise with the Council to complete this work as required.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Other powers and duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Other Reporting Issues (cont'd)

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have adopted a fully substantive approach and have therefore not tested the operation of controls.

The matters reported are shown below and are limited to those deficiencies that we identified during the audit and that we concluded are of sufficient importance to merit being reported.

Description	Observation
Debtors	<p>We sampled an item in debtors existence of value £572k. On further inspection SCC had been debiting one account code with pay advances, but credited the receipts to a different code. The two codes net off within the statement of accounts but in fact only £77k was actually outstanding. This approach leads to additional administrative burden to compare the two codes each year and also produces artificially high balances from which we identify our samples.</p> <p>SCC have agreed to undertake a consolidation exercise to transfer the credits to the correct code, reducing the balance on each code.</p>
IFRS 16 Preparedness	<p>SCC does not yet have a robust system in place to ensure it captures trigger events which would require them to assess lease liabilities.</p> <p>Based on discussions, we note that the Authority will not be in a position to implement a software solution or "system" by 1 April 2022 to account for leases which would automatically flag such changes as they occur, however, there will be reliance on the Property Services department to notify Finance of any such triggers that may be present.</p> <p>The Property Services department will be assisting the finance team in reviewing their leases each year. At current, this is the process the Council will follow in this regard.</p>
Investment Property Valuation	<p>During discussions held between management and the EY internal specialists in relation to small format advertising space, it became clear that the Council retains the right to use up to £0.5m of space per annum. The valuation of the associated asset capitalised in recognition of the advertising space does not take into account the space available for Council use. We have concluded that the asset is not materially misstated, but may be misstated by up to £2.4m.</p> <p>Management should ensure that the 2021/22 valuation for this advertising space includes all of the space that is retained by the Council as per the contractual arrangement.</p>

Other Reporting Issues (cont'd)

Control Themes and Observations (continued)

Description	Observation
Members Interests	<p>Our work identified transactions with two previously undisclosed related parties. These related parties were not disclosed by members on their annual declarations.</p> <p>Management should introduce checks to be performed to ensure that members declarations are complete.</p>
Financial Statements Closedown Process – Quality Assurance	<p>In disclosure note 7 we noted adjustments with no impact on the primary financial statements that were significant in their value. Although we have not listed these in the schedule of corrected misstatements, as they are of a disclosure nature only, management should ensure that the process of compiling the financial statements includes controls to reduce the likelihood of material misstatements of a disclosure nature also.</p>
Leases	<p>In our substantive testing of leasing arrangements the Council was unable to provide us with the original copy of one lease with a commencement date in 1934, assumed lost. Clearly this cannot be rectified, but it should be emphasised that leasing document should be retained for all new leases.</p>

Appendix A

Audit Fees

Audit Fees

The table below sets out the analysis of our fees

Description	Final Fee 2020/21 £	Planned Fee 2020/21 £	Final Fee 2019/20 £
Base Audit Fee – Code work	143,988	143,988	143,988
Proposed increase to the scale fee due to changes in work required to address professional and regulatory requirements and scope associated with risk	TBC	TBC	* 121,517
Total audit fee – code work	TBC	TBC	265,505
Non-audit work - Grant claims – Housing Benefits	** TBC	35,500	35,500
Total non-audit fee	TBC	35,500	35,500

* As highlighted in the Redmond Report, local government external audit fees have not kept pace with regulatory change. We believe that changes in the work required to address professional and regulatory requirements and scope changes associated with the risk of the organisation mean that the scale fee for the Council should more realistically set at a level that reflects the complexity and risk profile of the Council, and the resulting hours required to delivery the audit. The scale fee is set by PSAA Limited.

We wrote to management and the Audit & Standards Committee Chair setting out our considerations on the sustainability of UK local public audit. A base fee of £143,988 was prescribed by PSAA for the 2020/21 audit but as set out in our discussions with management and the Audit and Standards Committee for, the scale fees are impacted by a range of factors which result in additional work. We are still in the process of agreeing the 2020/21 fees with management and will provide an update once this process has been finalised. We expect fee levels to be broadly consistent with those for 2019/20 for the financial statements work. The change in requirements of the Code in relation to VFM arrangements will also result in a fee variation. The fees will also be subject to approval by the PSAA.

** Since our indicative fee was set out, there have been further issues identified requiring additional testing. Our work is imminently due for completion, following which an updated fee will be communicated to management in line with pre-agreed parameters regarding the need for additional work.

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Audit and Standards Committee Report

Report of: Dave Phillips, Head of Strategic Finance

Date: 24th March 2022

Subject: Compliance with International Auditing Standards

Author of Report: Linda Hunter, Senior Finance Manager (Internal Audit)

Summary:

This report has been drafted so that the Audit and Standards Committee can demonstrate to the External Auditors and the wider audience that they have exercised the required oversight to meet the International Standards on Auditing.

This report draws together much of the work that has been undertaken by the Audit and Standards Committee in the past year.

Recommendations:

- 1) Members are asked to confirm that the report gives an accurate reflection of the reports they have received and considered throughout the year.
 - 2) Members are also asked to confirm that they now have an overview of the Council's systems of internal control so that they are assured that they are fulfilling the requirements of "those charged with governance" under the International Auditing Standards.
-

Background Papers:

Category of Report: Open

* Delete as appropriate

Statutory and Council Policy Checklist

Financial implications
YES /NO Cleared by: L Hunter
Legal implications
YES /NO Cleared by:
Equality of Opportunity implications
YES /NO Cleared by:
Tackling Health Inequalities implications
YES /NO
Human rights implications
YES /NO
Environmental and Sustainability implications
YES /NO
Economic impact
YES /NO
Community safety implications
YES /NO
Human resources implications
YES /NO
Property implications
YES /NO
Area(s) affected
Corporate
Relevant Scrutiny Board if decision called in
Is the item a matter which is reserved for approval by the City Council? YES /NO
Press release
YES /NO

Report to the Audit and Standards Committee
Compliance with International Standards on Auditing (ISA)

March 2022

Introduction

- 1) **International Standards on Auditing (ISA)** are professional standards for the performance of financial audits. 'Those charged with governance' oversee an organisation's systems for monitoring risk, financial control and compliance with the law. For Sheffield City Council this is the Audit and Standards Committee.
- 2) As part of the International Standards on Auditing (ISA) there is a requirement for 'those charged with governance' to demonstrate formally that they have exercised adequate oversight of management's processes for identifying and reporting the risk of fraud and possible breaches of internal control, together with overseeing the financial reporting process.
- 3) For the past fifteen years, this report has been produced for the Audit and Standards Committee to enable them to demonstrate that they have taken the appropriate overview of the entire governance framework of the Council, and therefore meet the requirements of the International Standards on Auditing.
- 4) From 2018/19 the external auditor for SCC changed from KPMG to Ernst and Young (EY). The change in auditor has provided an opportunity for revisions to be made to the format of this report to reflect the requirements and specifications of the new auditors.

Key Requirements of the International Auditing Standards

- 5) The key elements that are required to be covered by members in relation to International Auditing Standards (UK&I) (IAS) are noted below:
- 6) Under ISA 240 the Council's appointed external auditors (EY) are required to understand how 'those charged with governance' exercise oversight of management processes for:
 - Identifying and responding to the risk of fraud in the Council, and the internal control that management has established to mitigate these risks;
 - Determining whether they have knowledge of any actual, suspected or alleged fraud affecting the entity.
 - Assessing the risk that the financial statements may be materially misstated due to fraud or error.
- 7) ISA 250 requires that external auditors understand how those charged with governance gain assurance that all relevant laws and regulations have been complied with.

- 8) Additionally, those charged with governance must approve the financial statements, so an understanding as to how the Audit and Standards Committee obtains the necessary assurances to discharge this responsibility is also required.

Areas Covered in the Report

- 9) The following sections summarise how members of the Audit and Standards Committee have been provided with assurance that key elements of the Council's internal control systems are being reviewed and reported upon. This is a consolidation report of items that have been presented to the Audit and Standards Committee throughout 2021/22, and covers the: -
- Annual Accounts (2019/20 and 2020/21)
 - System of Internal Control
 - Governance Arrangements (and compliance with laws and regulations)
 - Counter Fraud Arrangements
 - Risk Management
 - Standards Issues
- 10) The Audit and Standards Committee comprises of 7 non-executive members of the Council with proportionality applied and a non-voting co-opted member.
- 11) There are currently two Standards Committee Independent members and one Parish representative (observer). They attend the meetings of the Committee when there is a Standards focus.
- 12) The Audit and Standards Committee members have taken a number of steps to help them undertake their roles and responsibilities. This has included taking independent advice and training. Officers of the Council and External Audit also attend the Committee to present reports and to answer questions raised.

Annual Accounts

- 13) Those charged with governance (the Audit and Standards Committee) are required to approve the financial statements. In order to do this effectively, the Audit and Standards Committee obtains the necessary assurances to discharge this responsibility via a number of submissions/reports.

- 14) The following items give the Audit and Standards Committee confidence that it has adequate assurance over the accuracy of the Annual Accounts:
- EY 2019/20 ISA 260 memo – (Apr 21)
 - Unqualified EY Opinion on the 2019/20 Statement of Accounts – (June 21)
 - Training for ASC members on the Statement of Accounts – (Nov 21)
 - Report from officers outlining the 2020/21 accounts (July 21)
 - EY Audit Plan 2020/21
 - Updates on progress on the audit from EY, Oct 21 and Jan 22
 - EY 2020/21 ISA 260 memo (Jan 22)
 - Report from officers discussing the (almost final) post audit Statement of Accounts (Jan 22)
 - Unqualified EY Opinion on the 2020/21 Statement of Accounts – (Mar 22)
- 15) At the September 2021 meeting the External Audit Re-Procurement was discussed. The Head of Strategic Finance explained what factors need to be considered when re-procuring the Council's external audit service. The committee endorsed the decision to opt-in to Public Sector Audit Appointments (PSAA) re-procurement.

System of Internal Control

- 16) The following items give the Audit and Standards Committee confidence that it has adequate assurance over the Systems of Internal Control:
- Bi-annual update reports on the implementation of audit recommendations (contained within the no assurance and limited assurance opinion reports) – (Apr 21 and Jan 22)
 - Education Healthcare Plan – (Apr 21)
 - Internal Audit Plan 2021/22 – (Apr 21)
 - Senior Finance Manager (Internal Audit) Annual Report – (Sept 21)
 - Public Sector Internal Audit Standards (PSIAS) Peer review report – Jan 22)
- 17) There is an explicit requirement on officers and members to comply with the Council's Code of Conduct and supporting rules and regulations. As part of the sign-off process for the Annual Governance Statement (AGS), Directors are required to confirm in writing that they have in place adequate systems to ensure compliance with the relevant rules and legislation relating to their area of activity; this is used as a basis for the production of the statement. They also confirm that they are managing the risks pertaining to their service.
- 18) All Internal Audit reports containing a no assurance, or limited assurance, high organisational impact opinion are submitted to Committee members in full. An auditable area receiving one of these opinions is considered by Internal Audit to be an area where the risk of the activity not achieving its

objectives is high and sufficient controls were not present at the time of the review. Members can then forward any questions to the Senior Finance Manager, Internal Audit and responses are circulated to all. This process is used to ensure members are aware of any breaches of, or deficiencies in, internal control.

Governance Arrangements (and compliance with Laws and Regulations)

- 19) The following items give the Audit and Standards Committee confidence that it has adequate assurance over the accuracy of the Governance Arrangements:
- Annual Governance Statement (AGS) 2020/21 – (Sept 21)
 - Senior Finance Manager (Internal Audit) Annual Report – (Sept 21)
 - Information Governance Annual Report – (Jan 22)
- 20) The governance framework of the Council comprises the systems and processes, and cultures and values by which the Council is directed and controlled. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 21) The Council constantly reviews key governance documents, such as the Constitution and the Leader's Scheme of Delegation, supported by the Standing Orders and Financial Regulations to ensure that they are fit for purpose.
- 22) Every executive report must include financial and legal implications and equal opportunities implications as a minimum. The financial and legal implications are signed-off following submission to the relevant professional services. This process gives the Council and Audit and Standards Committee assurance that law and regulations are complied with.
- 23) The Senior Finance Manager for Internal Audit retains independent access rights to the Chief Executive of the Council, along with access rights to the Chair and other members of the Audit and Standards Committee.

Counter Fraud Arrangements

- 24) The following items give the Audit and Standards Committee confidence that it has adequate assurance over the accuracy of the Counter Fraud Arrangements:
- Internal Audit Plan 2021/22 included the counter fraud resource – (Apr 21)
 - Report of reactive and pro-active fraud activity undertaken by Internal Audit in 2020/21 – (June 21)
 - Report providing information on activity under the Whistleblowing Policy from 2018 to the present date – (Jan 22)

- 25) The primary responsibility for the prevention and detection of fraud rests with both SCC management and those charged with governance. It is important that management place a strong emphasis on fraud prevention, which may reduce the opportunities for fraud to take place; and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- 26) The Council's Anti-fraud and Corruption Policy Statement and Framework, clearly states that the Council has a zero tolerance to fraud, and that it expects its employees to uphold the highest ethical standards and to strictly adhere to its anti-fraud framework and associated policies.
- 27) As part of the Officers' Code of Conduct, the Policy Statement - Fraud and Corruption incorporates a message from the Chief Executive which clearly states the 'zero tolerance' approach of the authority. It incorporates the fact that any instances of fraud or corruption will be treated as gross misconduct.
- 28) Any individual incidents of a material scale will continue to be reported to the Audit and Standards Committee by Internal Audit, and the Audit and Standards Committee can call in officers to respond to the issues raised. Internal Audit has detected no material frauds during the year (to date).
- 29) The Council participates fully with the National Fraud Initiative (NFI) exercise, and no significant frauds were identified this year.
- 30) SCC has an extensive Whistleblowing Policy that contains an explanation on whistleblowing arrangements and the reporting access routes including the details of designated contact officers. The Human Resources Service maintains a central register of allegations. Whistleblowing allegations are all reviewed and where appropriate fully investigated by someone independent of the area.

Risk Management

- 31) The Council has a risk management framework in place that has been agreed by Cabinet. The Corporate Risk Manager attended the Audit and Standards Committee in September 2021 to present to members a report on the current risk management reporting arrangements within the Council. The report included the risk trend analysis as well as the current and emerging risks to delivery of the Council's strategic objectives and the controls in place to manage those risks. Audit and Standards Committee members were given the opportunity to question any issues raised.
- 32) There is a requirement that all reports that are presented to the Council's Cabinet contain the key risks that relate to the subject area, and these are scrutinised by the members. There is also a process in place to record and manage the risks in relation to programmes and projects as part of the progress reports submitted to members.

Standards Issues

33) The following items give the Audit and Standards Committee confidence that it has adequate assurance over the Standards issues:

- Standards Complaints Process Internal Audit report – (July 21)
- Annual Ombudsman Report – (Oct 21)
- Overview Report of the Service Contact Centre – (Oct 21)
- Progress update with Member Development at the Council – (Oct 21)
- Report of the process for dealing with Standards Complaints and Members Code of Conduct – (Feb 22)
- Annual Standards Report – (Feb 22)

Requested actions

34) Members are asked to confirm that this report gives an accurate reflection of the items they have received and considered throughout the year.

35) Members are also asked to confirm they have an appropriate overview of the Council's systems of internal control so that they are assured that they are fulfilling the requirements of "Those Charged with Governance" under International Auditing Standards.



Audit and Standards Committee Report

Report of: Andrew Jones Director of Education and Skills

Date: 24th March 2022

Subject: SEND Statutory Services and Compliance

Author of Report: Rose Ward

Recommendations:

That the Audit & Standards Committee:

- Note the information set out in the report and appendices.
- Request any further information or briefing on SEND
- Support and challenge regarding SEND development

Background Papers: None

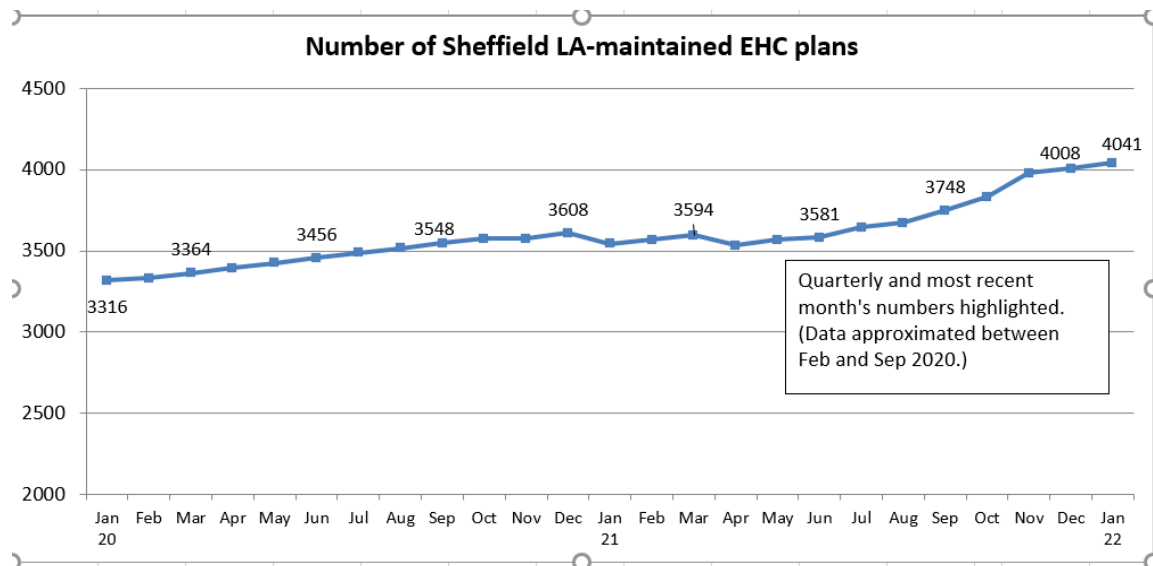
Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
NO
Legal Implications
NO
Equality of Opportunity Implications
NO
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
None
Relevant Cabinet Portfolio Member
Councillor Terry Fox, Cabinet Member for Finance
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

Summary:

- In Sheffield there are 4041 Children and Young People with Education Health and Care Plans (EHCPs) (just under 5% of the child population)
- A third of EHC Plans are held by Young People who are post 16
- The west of the city (Localities E, F & G) have the highest number of children (under 16) with EHC Plans, Locality F has the highest overall.



SEND in Sheffield was subject to a Written Statement of Action from the Joint Ofsted and CQC Area Inspection, conducted in November 2018.

7 areas of weakness were identified, and an action plan developed to address each of the 7 areas: (in brief)

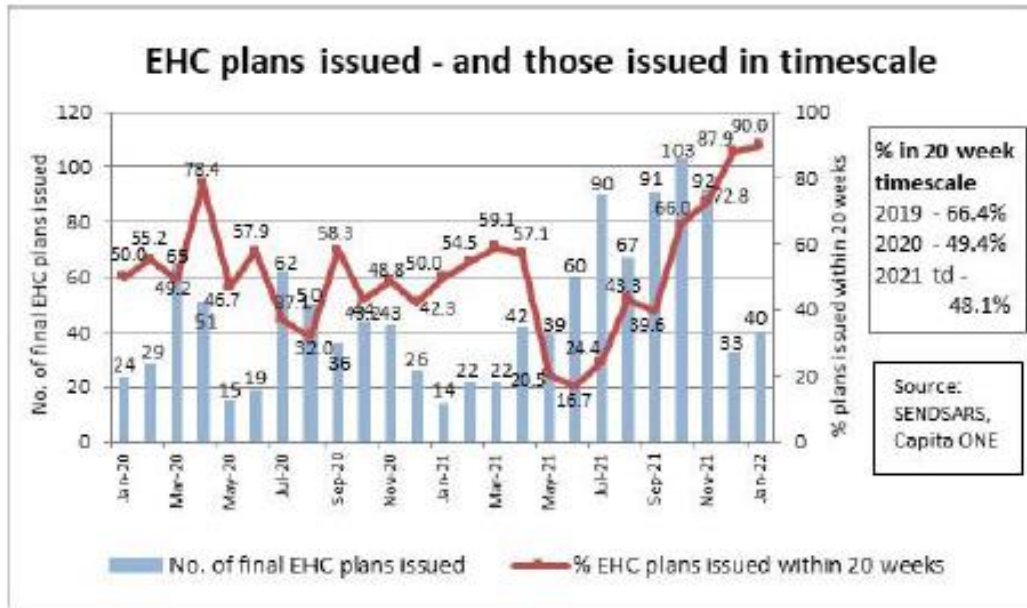
1. To develop an Inclusion Strategy and Implementation Plan
2. Improve communication – children, families, and partners
3. Improvements in CCG – waiting times, joint commissioning
4. Improve joint commissioning and commissioning arrangements for SEND
5. EHCNA / P compliance, quality, and oversight
6. Mainstream education – identification, assessment, and response to needs
7. Multi Agency Transition arrangements

Progress has been made in all areas, areas where progress began to decelerate or had worsened were identified in May 2021, these areas were number 5 and 7 of the WSOA.

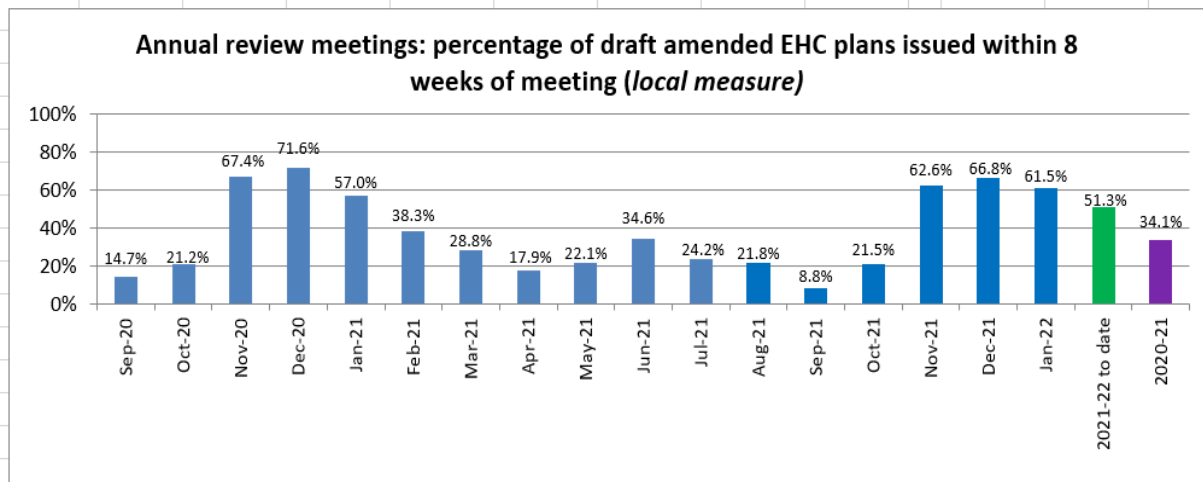
In May – July 2021, the compliance within the 20 weeks Education, Health and Care Needs Assessment (EHCNA) process dipped from 32-18% with 102 plans exceeding the statutory 20 weeks' timescale. (National average compliance for plan completion is between 55-65%)

An interim Head of SEND was appointed in post from June 2021, since this time work has been undertaken, the outcomes of which are:

Compliance:



- Professional Advice from Education and Health providers show very view over time scale advice reports within the EHCNA process.
- There are some care advice reports overdue, therefore a new process has been agreed to address this issue.
- Proposed Amended plans following Annual Review has risen from 8.8% to 61.5% within 8 weeks of the review.



Staffing:

- A commitment to ensure establishment remains at the right level for the number of plans (not exceeding 200 per worker)
- Increase from 16 -22 FTE Inclusion Officers
- Recruited to vacant management posts = x 3 Locality Managers (5 now in post)
- Additional resource for the EP service to allow for advice to be completed - Locum and Agency Support (backlog is now cleared and agency / locum arrangements are coming to an end)
- Service Manager vacancy filled.

- Recruitment to new leaders for the Autism Team and HI/VI services
- A new Principal Educational Psychologist is in post
- Recruited to a Post 16 Manager for specific work on Post 16 and PFA pathways alongside Education, Health and Care colleagues.

Audit:

- A new approach to audit has been devised, online platforms have been utilised for immediate response to compliance in all sections of EHC Plans.
- Quality Assurance Multi-Agency group audits advice reports and 2 EHCPs per term with feedback given to the quality assurance management group and back into SENDSARS.
- Quality Audit has been used, but no reporting in place, new audit cycle with feedback has been agreed
- Development of child and family voice being included in the audit process.
- 3 question approach to parents during the EHCNA/P process.

Funding:

- Locality Model of funding is under review
- An increase of funding for children with EHCPs has been submitted to Schools Forum
- Comparatively our High Needs funding agreement for our mainstream schools is low, as a result the LA has overspent in the Exceptional Needs and Growth funding pots.

Sufficiency:

- We do not have sufficient specialist places for children who need them, despite ongoing work with commissioners.
- Shortages are apparent within ASD specialist provision at both Primary and Secondary phases.
- Further IR places are planned from September 2022
- The new Discovery School will open from September 2022.

Performance:

To ensure performance does not dip in the service again and that compliance remains high there have been several new performance management structures put into place:

- Fortnightly compliance meetings and Performance Clinics alternating
- Risk Meetings to consider children who are of concern and actions agreed
- Direction to schools where we have high risk placement breakdowns
- Introduction of practice standards and supervision expectations.
- Audit tools developed to ensure plans are always compliant
- Steering groups for the WSOA have been developed to move forward at pace with continued areas of weakness
- Work with the Inclusion Board to unblock any barriers to progress and support to create a Young People Council
- Development of the Local Offer and agreement for a committed officer to develop this further
- Reporting weekly to SLT and monthly to Director Performance Clinic

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Audit & Standards Committee Report

Report of: Mark Bennett, Director of HR and Customer Services

Date: 24 March 2022

Subject: Customer Services Contact Centre Performance

Author of Report: Paul Taylor, Head of Customer Services

Summary:

This report provides an overview of 2021-22 year to date performance for Customer Services Contact Centre. The report identifies issues that affect performance and identifies future developments and areas for improvement.

The report is presented by the Director of HR and Customer Services who is responsible for Customer Services.

Recommendations:

The Audit & Standards Committee is asked to consider the report in order to provide its view on the future performance of service, the improvements proposed, and the issues raised.

Background Papers:

None

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
Legal Implications
Equality of Opportunity Implications
NO

Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
None
Relevant Cabinet Portfolio Lead
Cabinet Member for Finance, Resources & Governance
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

Contact Centre Performance Q3 2021-22

Contents:

- 1.0 INTRODUCTION
- 2.0 SUMMARY
- 3.0 CONTACT CENTRE PERFORMANCE 2021/22
- 4.0 ISSUES IMPACTING PERFORMANCE
- 5.0 IMPROVEMENTS AND FUTURE DEVELOPMENTS
- 6.0 RECOMMENDATIONS

1.0 INTRODUCTION

- 1.1 The Council's Corporate Contact Centre takes telephone enquiries for customers for the following services:
- Council Housing
 - Council Housing Repairs
 - Revenues and Benefits
 - Corporate – comprising 17 Services
 - Out of Hours – comprising Emergency Repairs, Homeless, Childrens and Adults Social Services

2.0 SUMMARY

- 2.1 This report provides an overview of Contact Centre performance for Quarter 3 of financial year 2021/22 and Quarter 4 up to 28th February 2022, and outlines issues impacting upon performance.
- 2.2 The report identifies areas for improvement in performance and key ongoing and future developments.

3.0 PERFORMANCE OVERVIEW QUARTER 3 AND QUARTER 4 TO DATE

- 3.1 The performance details below cover performance during Quarter 3 of the financial year 2021/22 and Quarter 4 performance up to 28th February 2022.

The Contact Centre has a Key Performance Indicator to answer 85% of all calls offered. Q3 performance by service area is shown in the tables below together with Q4 performance up to 28th February.

REVENUES AND BENEFITS

	Offered	Answered	% Answered	Average waiting time
Q3	40565	17442	43%	33:19

Q4 to 28 th Feb	30592	12450	41%	34:24
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CORPORATE

	Offered	Answered	% Answered	Average waiting time
Q3	45590	37066	81%	03:44
Q4 to date	35461	22569	64%	08:13

COUNCIL HOUSING

	Offered	Answered	% Answered	Average waiting time
Q3	42959	35415	82%	05:26
Q4 to date	33114	24072	73%	09:30

COUNCIL HOUSING REPAIRS

	Offered	Answered	% Answered	Average waiting time
Q3	83623	34868	42%	28:18
Q4 to date	63646	26509	42%	22:48

EMERGENCY OUT OF HOURS

	Offered	Answered	% Answered	Average waiting time
Q3	19438	12156	63%	03:43
Q4 to date	13280	9162	69%	02:50

4.0 ISSUES IMPACTING PERFORMANCE

- 4.1 The financial year 2021/22 has been a particularly challenging one for the Sheffield City Council Contact Centre. During the pandemic period the service rose well to the challenges that were posed, not least being able to deliver the service with a workforce which became primarily home-based. However the emergence from the pandemic has been challenging. During 2021 people were once again able to report all repairs, rather than just emergencies, and reminder notifications sent

for rent arrears and Council Tax debts. Actions such as these impacted very strongly on the work of the Contact Centre and the ripple effect from those challenges remains. Customer expectation has also shifted significantly but the service has not yet had any real opportunity to change the operating model of the service.

- 4.2 Seven experienced Customer Services staff moved to the Council's Test, Track, and Isolate Team when this was created in 2020 and remain there until 31st March 2022. The posts have been backfilled but the loss of experience has had an impact. There has been a rise in staff sickness during January and February and this has impacted on performance. Some of this relates to staff being absent with Covid, however it should be acknowledged that some of that sickness is related to the pressures which our advice team feel themselves to be under during this busy period.
- 4.3 In terms of specific Contact Centre strands, the Revenues and Benefits (R&B) strand is the one which has the most challenges. The R&B service has been under some continual pressure since the pandemic began to ease. People who had not been chased for missed payments and arrears during the worst of the pandemic period were then sent reminder letters, follow-up letters and in some cases summonses. This resulted in a high volume of calls which has carried on substantially unabated from summer 2021. As an example, 18,000 reminder letters were sent out in batches during February, with a further 3,700 going out in March at the same time as new Council Tax bills were being issued.
- 4.4 Pre-pandemic, once the "back office" Revenues team had been insourced from Capita, there were discussions around how we could engender greater fluidity of movement between the Contact Centre and the back-office team. We know that many personnel in both teams have the skills and knowledge to move temporarily from one team to the other as demand requires. However once the pandemic impacted, the focus of these discussions was lost. There are plans to revisit this and get this back on track.
- 4.5 In terms of Council House Repairs the key change over recent months has been the introduction of the new Total Mobile system. The system has been designed for speed in terms of logging requests and is much simpler. The new system went live in November 2021; as might be expected with any new system there were some significant teething problems which meant that the benefits of the new system were not apparent immediately. However, we are now seeing increasing evidence of the benefits of the new systems with the numbers of calls being taken by the advice team on this strand improving.
- 4.6 In addition the last few months have seen a good deal of effective joint working between the management teams from the Contact Centre and Repairs and Maintenance. In September 2021 a 21-point Action Plan was agreed between the two services. A lot of the focus has been on trying to reduce the number of chase calls (i.e. those people needing to get in touch with the Contact Centre because e.g. an appointment has been missed, the operative has not turned up etc.). These calls have been running sometimes at over 30% of all calls received; by their nature these calls take longer to deal with and this in turn impacts on overall performance. Both management teams continue to work to reduce the numbers of chase calls. In addition, since Summer 2021 the Contact Centre has been offering an additional daytime service on Saturdays (and during the first few weeks on Sundays as well), whereby people can ring in with non-urgent Repairs.
- 4.7 A significant change which is ongoing – helped by the change to the Total Mobile system - is to blend the Housing and Repairs Contact Centre teams so that the advisors across the two teams can work on either strand. This change should be fully complete by the Autumn.

4.8 It should be noted that the performance statistics included in this report cover the period to 28th February. Performance during March has been strong across the Housing and Corporate strands and continues to steadily improve in terms of Repairs. However R&B performance remains extremely challenging.

5.0 IMPROVEMENTS AND FUTURE DEVELOPMENTS

5.1 The performance of the SCC Contact Centre has been very much under the spotlight during recent months, including from elected members and from internal forums such as the Performance and Delivery Leadership Board. Various improvements have recently been put in place or are in train. These include:

- a) Continued work on improving the relationship with “back office” services, with whom close liaison is crucial to ensure a joined-up approach in dealing with what our callers need;
- b) The development of technological innovations to help improve the customer journey. These include live chat and the natural language facility (both due to be piloted in the next few weeks);
- c) Cross-skilling of the Housing and Repairs team (as per point 4.7 above);
- d) The creation of a Contact Centre Performance Manager post (job description currently being agreed);
- e) A revisiting of Team Leader duties to underline the focus needed on performance management;
- f) A proposed return to a rolling recruitment programme for the Contact Centre, minimising gaps when people move on from the service.

5.2 A Peer Review of Customer Services by the Local Government Association (LGA) - focusing in particular on the Contact Centre - took place in December 2021. Feedback from the Peer Review has resonance beyond simply Customer Services. The feedback acknowledges the work currently being done at Portfolio and service level to put customer service front and centre, and the “collective goodwill internally to get this right”. However the feedback goes on to note that *to address the performance challenges, customer service as an ethos and a responsibility, needs to be collectively owned across the organisation...for SCC to make meaningful inroads it will require a dedicated focus, organisational buy-in, culture change and investment – of both time and resources – to break down the siloed approach to customers and transform services.*”

5.3 The feedback suggested a number of “quick win” areas. Many of these (e.g. live chat, natural language) are already under consideration but all will be considered further. The LGA have now offered to provide an ongoing critical friend challenge as we seek to pull together an Action Plan to help meet the recommendations made. The LGA also offered the possibility of some small grant funding to help support our work on improving the customer journey. We will be using this towards the creation of a customer portal, which will facilitate the creation of a Single Customer Account. This will provide a simple, joined up way to access and manage information, and allow customers to access their information – and make payments – online. Although it will take some months to bring this development online it should over time significantly reduce the numbers of calls made to the Contact Centre.

5.4 Under the Our Sheffield strand of the SCC One Year Plan, officers have been working closely with the Our Council Transitional Committee to develop a checklist of the elements which together create a Customer Service Ethos and point the way to a programme of work to support this. This includes:

- Clear standards: For everyone to work to, supported by performance measures and Business Information
- Staffing: Recruited, trained, and supported to deliver excellent customer service, and who have the autonomy and authority to make decisions when dealing with customers
- Technology tools and solutions: IT and telephony designed to support staff to do their job, and meet customer needs
- Customer Insight: An understanding of and engagement with customers to design user friendly services
- User designed: Access to user designed services including online, for those customers who are happy to use them

Work is now under way to create the internal mechanism to deliver this programme of work. The Our Council Transitional Committee are clear that a key beneficiary of this work will be the SCC Contact Centre. The Committee has also emphasised that they understand the excellent work being done by front-line Contact Centre staff; the current challenges are systemic, and not about the people.

In summary Customer Services is linking the new post-pandemic normal with an ambition that Sheffield citizens receive the services and information that they want from the Council in the ways that they want to receive them. This includes giving quicker, more simple online access to all those who want to use services in this way, meaning quicker access to the Contact Centre for those who choose or need that method of contact. This approach is also reflected in the ongoing rethinking of the First Point face to face service.

6.0 RECOMMENDATIONS

- 6.1 The Audit & Standards Committee is asked to consider the report in order to provide its view on the performance of the Contact Centre and the issues raised.

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Audit & Standards Committee Report

Report of: Mark Bennett, Director of HR and Customer Services/ Gillian Duckworth, Director of Legal and Governance

Date: 24 March 2022

Subject: Annual Housing Ombudsman Complaints Report 2020/21

Author of Report: Paul Taylor, Head of Customer Services

Summary:

The Housing Ombudsman has now issued annual Landlord performance reports for 2020-21 (published on 11 March 2022) but had only done so for those landlords that had 5 or more cases determined during 2020-21.

For all Landlords with less than 5 determinations (this includes Sheffield City Council) they have simply issued basic decision data in a table – see copy table attached with this report.

Detailed information on Housing Ombudsman activity (based on local recording) was previously included and considered by the Audit and Standards Board in the report presented back in October 2021.

Recommendations:

The Audit & Standards Committee to note the limited information published by the HO in respect of Sheffield City Council for the 2020-21 period.

Background Papers:

Housing Ombudsman published table: Landlords with less than 5 determinations in 2020-21.

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
Legal Implications
Equality of Opportunity Implications
NO
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
None
Relevant Cabinet Portfolio Lead
Cabinet Member for Finance, Resources & Governance
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?

NO
Press release
NO

Landlords with less than 5 determinations 2020-21

In alphabetical order

Landlord	Maladministration	Partial Maladministration	Reasonable Redress	No Maladministration	Mediation	Outside Jurisdiction	Withdrawn	Grand Total
Abri Group Limited	1		1	2				4
Acis Group Limited		1		1				2
Adur District Council	3		1					4
Arun District Council	1			1				2
Ashfield District Council				1				1
Ashford Borough Council				1				1
Aspire Housing Limited				1			1	2
B3 Living Limited			1	3				4
Babergh District Council		1						1
Balsall Heath Housing Co-operative Limited						1		1
Basildon Borough Council	2		1	1				4
Bassetlaw District Council				1		1		2
BCP Council				1				1
Bedford Borough Council				1				1
Believe Housing Limited		1	1	1	1			4
Bernicia Group	1			2		1		4
Beyond Housing Limited	1							1
Blackpool Council				1				1
Bolsover District Council				1				1
bpha Limited			1	2				3
Brentwood Borough Council	1			2		1		4
Brighter Places		1						1
Brighton Housing Trust				1				1
Broadacres Housing Association Limited				2		1		3
Bromsgrove District Housing Trust Limited				1				1
Broxtowe Borough Council	1			1				2
Cambridge City Council			1	1				2
Cannock Chase District Council				1				1
Canterbury City Council	2	1					1	4
Castle Point Borough Council			1					1
Castles & Coasts Housing Association Limited				1				1
Chelmer Housing Partnership Limited			1	1				2
Chorus Homes Limited			1	1				2
Christian Action (Enfield) Housing Association Limited			1				1	2
City of London Corporation						2		2
Colchester Borough Council				1				1
Community Gateway Association Limited				1				1
Connect Housing Association Limited				2		1		3
Connexus Housing Limited					1			1
Co-op Homes (South) Limited	1							1
Cornwall Council				1				1
Cornwall Housing Limited		3						3
Cotman Housing Association Limited		1		1				2
Cross Keys Homes Limited	1			2		1		4
Croydon Churches Housing Association Limited		1		1				2

Curo Places Limited		1		2		1		4
Dacorum Borough Council		1				2		3
Dartford Borough Council			1	1				2
Derby Homes Limited			1	1				2
Derwent Community Housing Association Limited				1				1
Doncaster Metropolitan Borough Council		2		1				3
East Devon District Council	3			1				4
East End Homes Limited		1		1				2
East Riding of Yorkshire Council		1						1
East Suffolk Council		1	1					2
Eastbourne Borough Council		1	1	1			1	4
Eastlight Community Homes Limited		1		3				4
Ebony Sistren Housing Association Limited				1				1
Ekaya Housing Association Limited	1							1
Elim Housing Association Limited				1				1
EMH Housing and Regeneration Limited	2	1		1				4
English Rural Housing Association Limited	1							1
Equity Housing Group Limited	1	1		1		1		4
Exeter City Council				1				1
First Choice Homes Oldham Limited		2					1	3
Flagship Housing Group Limited	1		2	1				4
Folkestone & Hythe District Council	1							1
ForHousing Limited	2							2
Freebridge Community Housing Limited		1			1	1		3
Futures Housing Group Limited	2						1	3
Gateway Housing Association Limited		1						1
Gloucester City Homes Limited			1	1				2
Grainger Trust Limited						1		1
Grand Union Housing Group Limited	1	1		1				3
Gravesham Borough Council		1						1
Great Places Housing Association	2			2				4
Great Yarmouth Borough Council				1				1
Greatwell Homes Limited				1				1
Hackney Housing Co-operative Limited						1		1
Halo Housing Association Limited				1				1
Halton Housing	1							1
Harecourt Community H A Ltd	1							1
Harrogate Borough Council		1		1		1		3
Harrogate Housing Association Limited			1					1
Hastoe Housing Association Limited				1				1
Hexagon Housing Association Limited	2	1		1				4
Hightown Housing Association Limited		1						1
Hinckley and Bosworth Borough Council	1							1
Homes Plus Limited (previously ,South Staffordshire Housing Association)			1	1				2
Hornsey Housing Trust Limited	1							1
Housing 21		1	1	1		1		4
Housing For Women							1	1
Housing Solutions	2			1				3
Hundred Houses Society Limited				1				1

Incommunities Limited		1		3			4
Inquilab Housing Association Limited	1					1	2
Irwell Valley Housing Association Limited		1	1				2
Islington and Shoreditch Housing Association Limited	1			1			2
'Johnnie' Johnson Housing Trust Limited			1	1			2
Joseph Rowntree Housing Trust					1		1
Karbon Homes Limited		1	1	1		1	4
Kingston upon Hull City Council	2			2			4
Kirklees Council				1		1	2
Lark Lane Housing Co-operative Limited						1	1
Leeds Federated Housing Association Limited			1	1			2
Leeds Jewish Housing Association Limited			1				1
Lewes District Council		1					1
Lincolnshire Housing Partnership Limited		1	1				2
Liverpool Jewish Housing Association Limited		1					1
Livv Housing Group	1	1	2				4
London Borough of Bromley						1	1
London Borough of Enfield	1						2
London Borough of Hillingdon	1			3			4
Luton Borough Council	1						1
Luton Community Housing Ltd				1			1
Magna Housing Limited				1		1	2
Maidstone Borough Council						1	1
Manchester City Council	1						1
Mansfield District Council				1			1
Medway Council				1			1
Melton Borough Council	1	1					2
Merlin Housing Society Limited				1			1
MHS Homes Ltd				1			1
Milton Keynes Council		1				1	2
Mosscares St. Vincent's Housing Group Limited			1	2			3
Nether Edge Management Company Limited	1						1
Newcastle City Council				2			2
North Camden Housing Co-operative Limited		1					1
North Devon Homes	1						1
North Star Housing Group			1				1
North West Leicestershire District Council		1		1			2
Norwich City Council		1					1
Nottingham City Homes	1	2					3
Nottingham Community Housing Association Limited	2			1			3
Oadby and Wigston Borough Council		1					1
Ocean Housing Limited			1	1		1	3
One Manchester Limited				4			4
Ongo Homes Limited				3			3
Origin Housing Limited	1		1	1		1	4
Paradigm Housing Group Limited				1	1		2
Phoenix Community Housing Association (Bellingham and Downham) Limited		1					1
Pine Court Housing Association Limited				1			1
Pinnacle Spaces Limited				1			1

Plus Dane Housing Limited		1				1		2
Plymouth Community Homes Limited		1						1
Poole Housing Partnership Ltd	1			1				2
Poplar Housing And Regeneration Community Association Limited			2					2
Progress Housing Association Limited			1					1
Radcliffe Housing Society Limited				1				1
Raven Housing Trust Limited			2					2
Red Kite Community Housing Limited				3				3
Redditch Borough Council						1		1
Redwing Living Limited						1		1
Reside Housing Association Limited			1					1
Rochdale Boroughwide Housing Limited		2						2
Rosebery Housing Association Limited	1							1
Rotherham Metropolitan Borough Council		2		2				4
Rykneld Homes Limited	1							1
Sadeh Lok Limited				1				1
Saffron Housing Trust Limited		1		3				4
Salvation Army Housing Association						1		1
Saxon Weald	1			1	1	1		4
Selwood Housing Society Limited				1				1
Sevenside Housing	1							1
Sheffield City Council		2		2				4
Silva Homes Limited				1				1
Six Town Housing Limited				2				2
Slough Borough Council	1	1		1				3
Soho Housing Association Limited		1		1				2
Solihull Metropolitan Borough Council	1					1		2
Somerset West and Taunton Council			1					1
South Cambridgeshire District Council		1		1				2
South Lakes Housing			1	1				2
South Shropshire Housing Association				1				1
South Tyneside Housing Ventures Trust Limited						1		1
Southampton City Council				1				1
Southend-on-Sea Borough Council		1						1
Southway Housing Trust (Manchester) Limited		1	1	1				3
St Albans City and District Council	1	1						2
St Andrew Housing Co-operative Limited	1							1
St Mungo Community Housing Association	1							1
Stafford & Rural Homes	1		1	1				3
Stevenage Borough Council	2	1						3
Stockport Homes Limited				2				2
Stoke-on-Trent City Council	1			1	1			3
Suffolk Housing Society Limited				1				1
Sutton Housing Society Limited		1						1
Swan Housing Association Limited	1							1
Swindon Borough Council	1		1	1		1		4
Tamar Housing Society Limited				1				1
Tamworth Borough Council				1				1
Teign Housing		1		1	1			3
Thanet District Council	1	1				1		3

The Affinity Homes Group Ltd	1						1
The Cambridge Housing Society Limited				1			1
The Community Housing Group Limited	1						1
The Extracare Charitable Trust			1				1
The Wrekin Housing Group Limited		1		2			3
Three Rivers District Council		1				1	2
Together Housing Association Limited	1						1
Tower Hamlets Community Housing		2					2
Town and Country Housing	1		1	2			4
Trafford Housing Trust Limited		1	1	1			3
Trent & Dove Housing Limited						1	1
Trident Housing Association Limited			1	1			2
Tuntum Housing Association Limited				1			1
Two Rivers Housing	1						1
Vale of Aylesbury Housing Trust Limited		1					1
Walsall Housing Group Limited			1	3			4
Warrington Borough Council						1	1
Warwick District Council		1					1
Warwickshire Rural Housing Association Limited				1			1
Waverley Borough Council	3	1					4
Wealden District Council		2		1			3
Welwyn Hatfield Borough Council	1	2				1	4
West Northamptonshire Council		1		1			2
Westlea Housing Association Limited		1					1
Westminster Community Homes Limited			1				1
Westward Housing Group Limited				1		2	3
Wiltshire Council		1				1	2
Winchester City Council				1		1	2
Woking Borough Council		2					2
Women's Pioneer Housing Limited				1			1
Wythenshawe Community Housing Group Limited			2				2
York City Council		3	1				4
Your Housing Limited		1	1	1			3

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Audit and Standards Committee Report

Report of: Director of Legal and Governance

Date: 24 March 2022

Subject: Work Programme

Author of Report: Sarah Hyde, Democratic Services

Summary:

The report provides details of an outline work programme for the Committee.

Recommendations:

That the Committee:-

(a) considers the Work Programme and identifies any further items for inclusion;
and

(b) approves the work programme.

Background Papers: None

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
NO Cleared by:
Legal Implications
NO Cleared by:
Equality of Opportunity Implications
NO Cleared by:
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
NONE
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

WORK PROGRAMME

1. Purpose of Report

1.1 To consider an outline work programme for the Committee.

2. Work Programme

2.1 It is intended that there will be at least five meetings of the Committee during the year with three additional meetings arranged if required. The work programme includes some items which are dealt with at certain times of the year to meet statutory deadlines, such as the Annual Governance Report and Statement of Accounts, and other items requested by the Committee. In addition, it also includes standards related matters, including an annual review of the Members Code of Conduct and Complaints Procedure and an Annual Report on the complaints received.

2.2 An outline programme is attached and Members are asked to identify any further items for inclusion.

3. Recommendation

3.1 That the Committee:-

- (a) considers the Work Programme and identifies any further items for inclusion;
and
- (b) approves the work programme.

Gillian Duckworth
Director of Legal and Governance

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Date	Item	Author
June 2022	Audit Training	External Facilitator (Gary Bandy)
16 June 2022	External Audit Plan 2021/22	External Auditor (EY)
	Formal Response to Audit (ISA 260) Recommendations	Dave Phillips (Head of Strategic Finance)
	Internal Audit Annual Fraud Report	Linda Hunter (Senior Finance Manager)
	Internal Audit Plan 2022/23	Linda Hunter (Senior Finance Manager)
	Progress in High Opinion Reports	Linda Hunter (Senior Finance Manager)
	Strategic Risk Reporting	Helen Molteno (Corporate Risk Manager)
	Work Programme	Gillian Duckworth (Director of Legal and Governance)
21 July 2022	Summary of Statement of Accounts	Dave Phillips (Head of Strategic Finance)
	Work Programme	Gillian Duckworth (Director of Legal and Governance)

IMPORTANT INFORMATION FOR REPORT WRITERS

The Audit and Standards Committee provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of the Committee is to provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment. It provides independent review of Sheffield City Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and

Audit and Standards Work Programme 2021-22- Working Copy
external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Committee also cover Standards and is primarily responsible for promoting and maintaining high standards of conduct by councillors, independent members, and co-opted members. It is responsible for advising and arranging relevant training for members relating to the requirements of the code of conduct for councillors. The Committee also monitor the Council's complaints process and the Council's response to complaints to the Ombudsman.

The Committee is not an operational committee, so is not focussed on the day to day running of your service. However, its focus is on risk management and governance, so it will want to understand how you manage your key risks, and how you are responding to new challenges and developments. In particular the Committee will be interested in the progress on implementing agreed recommendations from inspection and audit reports, and will want to review your services' outputs and actions in response. You can expect some challenge if deadlines for implementing agreed actions have been missed. Please ensure breakdowns of information are included in your report, as the Committee is interested in the key facts and figures behind areas.

Most Audit and Standards papers are public documents, so use everyday language, and use plain English, don't use acronyms, or jargon and explain any technical terms. Assume the reader knows little about your subject.

Think about how the paper will be interpreted by those who read it including the media.

Use standard format - don't subvert it.

Ensure – You convey the key message in the first paragraph not the last.

The report should include –

- **Summary**
- **Recommendation (s)**
- **Introduction**
- **Background**
- **Main body of the report (in. legal, financial and all other relevant implications)**

(report templates are available from Democratic Services)