### **Public Document Pack**

# Audit and Standards Committee

Thursday 19 January 2023 at 5.00 pm

Town Hall, Sheffield, S1 2HH

The Press and Public are Welcome to Attend

#### **Mem**bership

Councillors Co<mark>lin Ro</mark>ss (Chair), Ben Curran (Dep<mark>uty Chair), An<mark>gela A</mark>rgenzio, Simon Clemen<mark>t-Jon</mark>es, Tom Hunt, Kevin Oxley and Garry Weatherall.</mark>

**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 <a href="http://democracy.sheffield.gov.uk">http://democracy.sheffield.gov.uk</a>. 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 <a href="mailto:sarah.cottam@sheffield.gov.uk">sarah.cottam@sheffield.gov.uk</a>.

#### **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 19 JANUARY 2023

#### **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 Members to declare any interests they have in the business to be considered at the meeting.	(Pages 5 - 8)
5.	Minutes of Previous Meeting To approve the minutes of the meeting of the Committee held on 17 November 2022.	(Pages 9 - 14)
6.	Progress in High Opinion Reports Report of the Senior Finance Manager (Internal Audit)	(Pages 15 - 34)
7.	Code of Corporate Governance Report of the Interim Director of Legal and Governance	(Pages 35 - 54)
8.	Information Management Annual Report Report of the Interim Director of Legal and Governance	(Pages 55 - 70)
9.	Work Programme Report of the Interim Director of Legal and Governance.	(Pages 71 - 80)
10.	Strategic Risk Reporting Report of the Corporate Risk Manager	(Pages 81 - 96)

To note that the next meeting of the Committee will be held

11.

**Dates of Future Meetings** 

at 5.00 p.m. on the 16 February 2023.



#### ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

If you are present at a meeting of the Council, of its Policy Committees, 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 Standards Committee in relation to a request for dispensation.

Further advice can be obtained from David Hollis, Interim Director of Legal and Governance by emailing <a href="mailto:david.hollis@sheffield.gov.uk">david.hollis@sheffield.gov.uk</a>.

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#### SHEFFIELD CITY COUNCIL

#### **Audit and Standards Committee**

#### Meeting held 17 November 2022

**PRESENT:** Councillors Colin Ross (Chair), Angela Argenzio, Simon Clement-Jones,

Tom Hunt, Kevin Oxley and Ms Alison Howard

#### 1. APOLOGIES FOR ABSENCE

1.1 An apology for absence was received from Councillor Ben Curran.

#### 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.

#### 4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meetings held on 22 September, 2022 were agreed as an accurate record.

# 5. ANNUAL CORPORATE COMPLAINTS REPORT & ANNUAL OMBUDSMAN REPORT 2021/22

- 5.1 The Committee received a report of the Director of Human Resources and Customer Services (Mark Bennett) and the Monitoring Officer (David Hollis). The report provided members of the Committee with an overview of the annual corporate and ombudsman complaints received and formally referred and determined by the three Ombudsman (Local Government and Social Care Ombudsman, Parliamentary and Health Service Ombudsman and Housing Ombudsman) during the 12 months form 1 April, 2021 to 31 March, 2022. The report also identified future developments and areas for improvement in complaint management.
- 5.2 Paul Taylor, Head of Customer Services, attended the meeting to present the report to the Committee.
- 5.3 Mr Taylor explained that during the financial year 2021-2022, the system that complaints were recorded on was moved onto a customer relations management system. This aimed to give a better representation of complaints. This was a cultural change that allowed the Council to energise the way that complaints were dealt with, and made every service take complaints seriously. The report included data from the old system until November 2021, when the new system commenced.

- Mr Taylor advised that the Council, together with Amey and Veolia as partners, dealt with 2,463 complaints through the formal process in 2021-2022, which was a 22% increase on the previous year. Amey and Veolia accounted for 57% of those complaints and other Council services accounted for 43%. The largest number of complaints relating to Council services were Resources (8%), Children and Social Care (6%), and Council Housing repairs (5%). Mr Taylor also noted that 46% of complaints had been responded to within 28 days, and the average escalation rate was 27%. The most frequent reason for complaints was quality of service (21%).
- Mr Taylor stated that it was important to flag improvements and ongoing developments, and understand why the number of complaints had risen. He noted that complaints that had been dealt with within three days under the Problem Solving procedure were not registered on the previous complaints system. Since November 2021 this information had been captured.
- 5.6 He outlined the improvements and ongoing developments to the complaints system and explained that there was now an emphasis on effective training to ensure that complaints were accurately recorded and responded to. A new Sharepoint site enabled managers to see where there might be slippage. Tracking, monitoring and chasing mechanisms had been improved, which it was hoped would minimise risk to the organisation. Improvements and support had been given to services to ensure that citizens can easily see what is being done.
- 5.7 In terms of equality data, Mr Taylor noted that, on average, 5% of equality monitoring forms were returned, so further development was needed on this.
- Mr Taylor noted that there were now mandatory fields on the complaints system which aimed to help record complaints properly. Training for staff was not mandatory, but training attendance had been good. He reported that the turnover of staff within the complaints team was not an issue, but it was important to ensure that any new staff were trained to the same standard.
- 5.9 He explained that it was hoped to gain a better understanding of common themes, and to capture 'lessons learnt' for each complaint and build on this.
- Mr Taylor noted concerns from members about data in the report and explained that the new system included a very clear system of accountable and responsible officers. He expected directors to have more involvement in changing the culture of dealing with complaints, and direction to improve the customer experience.
- Mr Taylor hoped to get to a point where there were customer accounts in place that would be able to capture equalities data, and to build equalities questions into the forms in a different way. He said that it was important to work with the equalities team to further understand the make-up of those making complaints.
- 5.12 Mr Taylor noted that a breakdown of data relating to Amey and Veolia was not available and agreed to come back with more information on this.

- In response to concerns about the escalation rate, he understood this to be partly due to the pressure on the Service coming out of the pandemic, and that a backlog of housing repair complaints had also contributed to this. He noted that structural changes within services might be needed to improve this.
- Mr Taylor continued with the presentation and confirmed that the Ombudsman was concerned about the 20% increase in complaints referred to them. The largest number received were for Housing, Adult Social Care, and Education and Children. He advised that Ombudsman deadlines had changed during recovery from the pandemic.
- Mr Taylor explained that 17 of the Ombudsman complaints had been upheld, no public reports were issued, and the Council paid £8445.49 in compensatory payments as a result of Ombudsman enquiries, which was a marked improvement from the previous year.
- 5.16 He outlined examples of learning outcomes during 2021-2022, which included regular joint meetings between services to help them work better together, encouraging services to become more proactive and make policy changes where appropriate.
- 5.17 Mr Taylor advised that the Local Government and Social Care Ombudsman upheld 75% of complaints and that Sheffield City Council had 100% compliance with their recommendations.
- 5.18 Mr Taylor asked the Committee to consider the report in order to provide its view on the performance of the Corporate and Ombudsman complaints and the issues raised.
- 5.19 Members of the Committee asked questions and the following responses were provided: -
- 5.20 Mr Taylor confirmed that directors had access to the same level of detail regarding complaints as the complaints team had, and that they had quarterly updates on how this was developing. He considered this to be vital in ensuring that directors could take complaints seriously and build into their service delivery plans.
- Mr Taylor noted that it was important to understand where fewer complaints had been received and the reasons for this, for example, if members of the public had found it too difficult to report a complaint, or where they believed that their complaint had not been actioned.
- In response to concerns about the Committee receiving reports in a timely way, Mr Taylor confirmed that the new system was expected to evolve and allow for reports to be generated at the press of a button.
- 5.23 Mr Taylor explained that in order to improve the complaints process and response times, clear guidance would need to be given to people in communities, and work was needed with community groups to ensure that people were able to

- fully access the complaints system.
- 5.24 Mr Taylor advised that he would investigate options to access a breakdown of complaints across wards and to identify key areas.
- 5.25 In response to Members concerns about their being fully briefed on complaints data, Mr Taylor advised that an interim report with details of the first two quarters of 2022/23 could be brought to a future meeting of the Committee if appropriate.
- 5.26 Ryan Keyworth noted that the role of the Committee was to ensure the Council was running to the right standard and not to scrutinise the performance data.
- 5.27 RESOLVED: That the Audit and Standards Committee:-
  - (a) notes the contents of the report now submitted, together with the comments now made;
  - (b) notes it's dissatisfaction with Sheffield City Council's complaints handling and performance as presented in the report; and
  - (c) requests that:
    - (i) Directors ensure that complaint response times are met in a timely manner and are built into their Service Plans;
    - (ii) options are explored to capture equalities and geographical data within the complaints system;
    - (iii) a breakdown of complaints from Amey and Veolia is provided to the Committee, and information on how their complaints are dealt with;
    - (iv) these recommendations are shared with Kate Josephs, Chief Executive of Sheffield City Council;
    - (v) a report on the findings of these recommendations is added to the work plan and brought to the meeting of the Committee on 16 February, 2022; and
    - (vi) Sheffield City Council responds to any findings in a way that enhances its reputation as a caring organisation that listens to its population.

#### 6. WORK PROGRAMME

- 6.1 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.
- The Committee agreed to include a report on the work programme, as mentioned at 5.27 (c) (v) of these minutes.
- 6.3 Members of the Committee discussed the Open House Management System and the following points were raised:-
- A Member of the Committee considered that the Audit and Standards Committee should be able to request further information, where a report had been presented that had highlighted problems or challenges, to ensure accountability and 'lessons learned'. There were mixed views from Committee members as to

whether this would be appropriate, as this issue fell within the remit of the Housing Policy Committee.

- 6.5 A suggestion was made to refresh the Terms of Reference of the Committee.
- 6.6 It was noted by a member of the Committee that implementation of the new housing system was not due to start until September 2023. Due to the significance of this work to the Audit and Standards Committee, the Member considered it to be appropriate for the Committee to receive an update on the progress of the procurement and implementation of the new system.
- Robert Parkin, Assistant Director of Legal and Governance, noted that the constitution set out committee remits and that duplication should be avoided. He added that members and officers were still finding their way through the policy committee structure, and that it was important to ensure that the right level of information was brought to the Audit and Standards Committee. In order to ensure that the Committee did not stray into the realms of Policy Committees, but to also ensure that housing issues did not 'slip', further discussions on Committee remits would be needed between the Monitoring Officer and legal officers of Sheffield City Council.
- 6.9 RESOLVED: That the Audit and Standards Committee:-
  - (a) notes the work programme; and
  - (b) requests that:-
    - (i) a report on the findings of the recommendations by the Committee on the Annual Complaints and Ombudsman Report be included on the work programme for February 2023; and
    - (ii) an update be provided to the Committee on the Open House Management System, in the form of an audit focussed report as to what checks and internal controls were in place to ensure that it was delivered within scope and budget, and to note any further management actions required from an audit perspective looking forward.

#### 7. DATES OF FUTURE MEETINGS

- 7.1 It was noted that the next meeting of the Committee would be held on 22 December, 2022.
- 7.2 The Chair expressed thanks to Ryan Keyworth for his attendance at this meeting and previous meetings, and for all the work that he had put into the budget process.

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# Audit and Standards Committee Report

Report of: Commercia	· · · · · · · · · · · · · · · · · · ·
Date:	19 <sup>th</sup> January 2023
Subject: Implementat	,
Author of R	Report: Linda Hunter, Senior Finance Manager (Internal Audit)
progress m	has been drafted so that the Audit and Standards Committee can track lade against recommendations in audit reports that have been given a no opinion, or a limited assurance with high organisational impact opinion.
Recommen	dation:
Members a	are asked to note the content of the report.
Backgroun	d Papers:
Category of	f Report: Open

## **Statutory and Council Policy Checklist**

Financial implications
<del>YES</del> /NO Cleared by: L Hunter
Legal implications
<del>YES</del> /NO Cleared by:
Equality of Opportunity implications
<del>YES</del> /NO Cleared by:
Tackling Health Inequalities implications
¥ES /NO
Human rights implications
¥ES /NO
Environmental and Sustainability implications
<del>YES</del> /NO
Economic impact
¥E\$ /NO
Community safety implications
<del>YES</del> /NO
Human resources implications
<del>YES</del> /NO
Property implications
<del>YES</del> /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? ¥ES /NO
Press release
¥E\$ /NO

# REPORT TO SHEFFIELD CITY COUNCIL AUDIT AND STANDARDS COMMITTEE

19th January 2023

Internal Audit Tracker Report on Progress with Recommendation Implementation

#### **Purpose of the Report**

1. The purpose of this 'rolling' report is to present to members of the Audit and Standards Committee progress made against recommendations in audit reports that have been given a no assurance opinion, or a limited assurance with high organisational impact opinion.

#### Introduction

- An auditable area receiving one of the above opinions is considered by Internal Audit to be an area where the risk of the activity not achieving objectives is high and sufficient controls were not present at the time of the review. All reports will have been issued in full to members of the Audit and Standards Committee at their time of issue.
- 3. Where Internal Audit has yet to undertake follow up work, the relevant Portfolio managers were contacted and asked to provide Internal Audit with a response. This work included indicating whether or not the recommendations agreed therein have been implemented to a satisfactory standard. Internal Audit clearly specified that as part of this response, managers were required to provide specific dates for implementation, and that this information was required by the Audit and Standards Committee.

#### FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the report.

#### **EQUAL OPPORTUNITIES IMPLICATIONS**

There are no equal opportunities implications arising from the report.

#### **RECOMMENDATION**

That the Audit and Standards Committee notes the content of the report.

#### **Executive Summary**

#### Reports received in full by the Committee

As agreed, the Audit and Standards Committee members will receive, in full, reports with no assurance (regardless of the organisational impact) and limited assurance with a high organisational impact. In addition, limited assurance, medium impact opinion reviews would be reported on a discretionary basis.

One review was added to the Recommendation Tracker report in December 21. This was not followed-up for the last report (June 2022) due to longer than usual implementation dates, and so are included in this report.

This report is:

Adult Safeguarding

#### New reports added to this Tracker

For this period, 4 new reports have been added.

Title	Assurance	Impact
Assurance Reviews		
Montgomery Residential Home	Limited Assurance	High Organisational Impact
Heritage Park Community School	Limited Assurance	Medium Organisational Impact
Holgate Meadows Community School	Limited Assurance	Medium Organisational Impact
Freedom of Information (FOI)/ Subject Access Requests (SAR)	Limited Assurance	High Organisational Impact

#### **Recommendation implementation**

In total, updates have been provided on 30 out of 30 recommendations that are due for implementation. Of these, 17 (57%) have been implemented and 13 (43%) are ongoing, indicating work has been started but not yet fully completed.

#### Items to note

There are no critical recommendations ongoing in this report.

This report has a RAG rating to easily identify the extent of the delays implementing agreed recommendations. A RAG rating key is provided at the end of the report.

#### Report to the Performance and Delivery Board

The tracker report was presented to the Performance and Delivery Board on the 29<sup>th</sup> November 2022.

The Performance and Delivery Board are committed to ensuring audit recommendations are actioned promptly and effectively within the agreed timeframe and take full responsibility and ownership in managing and controlling the process. They acknowledge the increased risks if audit recommendations are not progressed promptly and will seek clarity and confirmation of mitigating controls in place and ensure appropriate action is being taken in service areas.

The Performance and Delivery Board discussed the outstanding 'red' recommendations and confirmed that the recommendation leads for these areas have already attended a previous Performance and Delivery Board meeting. The meeting provided an opportunity for recommendation leads to explain in detail the outstanding recommendations and proposed timelines for implementation. This process will continue for all 'red' recommendations and will be an opportunity to provide support and gain a clear understanding of the outstanding recommendation and challenge where necessary.

The overall message is that service recommendation leads need to be proactive and address the agreed audit recommendations and risks in a timely manner.

The Performance and Delivery Board fully support and encourage the service recommendation leads to attend any future Audit and Standards Committee meetings to explain in more detail recommendation progress, issues and revised timeframes.

#### **UPDATED POSITION ON TRACKED AUDIT REPORTS AS AT DECEMBER 2022**

The following table summarises the implementation of recommendations, by priority, in each audit review.

Audit Title	Total	•			Complete			Ongoing			Outstanding			
	Critical	High	Medium	Ec/eff	Critical	High	Medium	Ec/eff	Critical	High	Medium	Ec/eff	High	Medium
Creditors – Non standard		10	2	1		6	2			4		1		
payments														
Disposal of IT assets	1	4			1	1				3				
Adult Safeguarding	1	3	3		1	1	3			2				
Software Licensing		1								1				
Hardware Asset Management		1								1				
Direct Payments		2	1			1	1			1				
Total	2	21	6	1	2	9	6			12		1		

#### 1. Montgomery Residential Home (People) (issued to Audit and Standards Committee 29.7.22)

#### As at December 2022

Internal Audit: This report was issued to management on the 13.7.22. This report will be followed up and included in the next tracker.

2. Heritage Park Community School (People) (issued to Audit and Standards Committee 8.9.22)

#### As at December 2022

Internal Audit: This report was issued to management on the 14.7.22. This report will be followed up and included in the next tracker.

3. Holgate Meadows Community School (People) (issued to Audit and Standards Committee 8.9.22)

#### As at December 2022

Internal Audit: This report was issued to management on the 14.7.22. This report will be followed up and included in the next tracker.

4. Freedom of Information /Subject Access Requests (Resources) (issued to Audit and Standards Committee 8.12.22)

#### As at December 2022

Internal Audit: This report was issued to management. This report will be followed up and included in the next tracker.

5. Disposal of IT assets (Resources) (issued to Audit and Standards Committee 3.2.22)

#### As at June 2022

Internal Audit: This report was issued to management on the 17.12.21. This report will be followed up and included in the next tracker.

#### As at December 2022

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by Jon Rayner ICT Service Delivery Manager 22.11.22
1.1	An asset disposal champion should be nominated (who has a suitable level of authority).	High	Mike Weston/Andy Pearson	April 2022 Revised	Action ongoing  Formally assigned roles to be reviewed under
	A section should be added to the Council's IT Security Policy or a separate policy document		, careen	Implementation	MER with an estimated completion date in Q4. Although MER dates have been pushed back.

	produced that addresses the process of IT asset disposal and personal data deletion. It should clearly state what will happen with devices that are no longer needed - will they be available for re-use or will they be recycled or destroyed? It should detail the whole process and describe how the assets will be removed from the organisation and who will be involved in the process.			<b>Timescale</b> Spring 2023	We are now awaiting the outcome of the Executive Management structure to align the Head of IT to subsequently initiate the ICT MERs.
2.1	It is important that a member of staff is assigned the responsibility of managing the asset disposal process and a realistic timescale should be set for this to be achieved.  Once staffing is in place, the process to be followed with the key controls required should be mapped out and documented (once a process has been designed by the Service, Internal Audit can support by reviewing the proposed process and suggesting improvements etc). The expectations of the contractor in this process should also be discussed and agreed with the company.  A review of the stock holding facilities should also take place to ensure that the storage is secure and all assets are protected until collection takes place.  All storage media should be fully traceable through the system.		Mike Weston/Andy Pearson	April 2022  Revised Implementation Timescale Spring 2023	Action ongoing Reefer to point 1.1 above
2.2	Management to seek assurance that the processes as they understand them in relation to what happens to the Council's assets when they are collected by the contractor, are in place. A site visit should be undertaken where deemed appropriate.	High	Andy Pearson	Ongoing  Revised Implementation Timescale Spring 2023	Action ongoing  Process in place and understood.  Site visit to be arranged once appropriate resource in post.
3.1	The contract agreement should be drawn up by Procurement as soon as possible and signed by both parties.	Critical	Andy Pearson	January 2022	Actioned  Contract has been drafted and signed.

have already been iden more risk due to the lac important that manager desktops, including those where desktops have be management should verthese have disposed of A formal reconciliation of the discovery system is all equipment not currer for. All assets disposed the configured manager	tified and as desktops pose k of hard disk encryption, it is nent can account for all se sent for disposal.  The sent for disposal, rify that there is evidence that appropriately.  The should be undertaken when fully functional to ensure that notly in use can be accounted of should be removed from ment database (CMDB).	High	Andy Pearson	Ongoing	Actioned  Also note Windows 10 desktops that have now been deployed have Bitlocker/ encryption configured.
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6. Creditors Audit Review of Non-Standards Payments (Resources) (issued to Audit and Standards Committee 10.2.22)

#### As at June 2022

**Internal Audit:** This report was issued to management on the 27.1.22 with the latest agreed implementation date of 30.9.22. This report will be followed up and included in the next tracker.

#### As at December 2022

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by Stephen Bottomley 18.11.22 and follow up review December 2022
1.1	Financial Regulations should be updated to cover every type of Non-Standard Payment (NSP) within F&CS, and state that they will be processed in accordance with the NSP Policy.	High	Peter Carr	May – Sept 2022	Actioned  This recommendation and additional advice were included in the update and refresh of the Financial Regulation that went to the AGM 18 <sup>th</sup> May. Also incorporated elements from the Non-Standard P2P Policy too.
1.2	Financial Regulations should be amended to place the overall responsibility for approval of all Non-Standard Payment Types in one place to ensure a complete oversight, consistent approach, and common controls.	High	Peter Carr	May – Sept 2022	Actioned  Refer to 1.1 above
1.3	A F&CS Policy or Framework should be developed and implemented covering the governance, standards, and controls for all Non-Standard Payments. This should be regularly reviewed.	High	Jane Wilby Chair of Financial Design Assurance (FDA) Group	March 2022  Revised implementation date: February 2023	Action ongoing  Policy drafted and discussed at FDA Standards and Policy Group 13/12/22. This will be operationalised by uploading to Finance Sharepoint by January 2023 and updating the 2023/24 Financial Regulations in the February 2023 update.
1.4	The NSP Policy recommended in 1.3 should clarify the key responsibilities and outline any delegations or limitations.	Medium	Jane Wilby Chair of Financial Design Assurance Group	March 2022	Actioned Included in the Policy mentioned at 1.3 above.
2.1	Each Non-Standard Payment Type should have a current Approval Form completed and agreed to bring records up to date. These should be regularly reviewed and be a requirement of the NSP Policy.	High	Jane Wilby Chair of Financial Design Assurance Group	September 22 Prioritising recurring larger value payment types	Action ongoing  Approval form included in Policy mentioned at 1.3 above. Renewal of approval forms for existing NSPs outstanding.

				Revised implementation date: March 2023	
2.3	A summary of Non-Standard Payment Types should be created and links to recommendation 2.1  The requirement for regular management information with values, trends etc should be considered in preparation of the NSP Policy considering the benefits it could bring against the time and complexity in maintaining the data.	Medium	Jane Wilby Chair of Financial Design Assurance Group	March 2022	Actioned  This is included in the Policy. An annual review of transactions will be timetabled at FDA each March.
2.5	The individual Non-Standard Payment Type Approval Form recommended in 2.1 should have a section asking about the number and value of commercial invoices to be processed and any mitigations in place to monitor performance in a different way. This information should be assessed and either Payment Types rejected, or separate monitoring made a condition of the arrangement.		Siam Holmes/Richard Hallam	Revised implementation date: March 2023	Referral of the review of Controcc payment process to FDA to ensure a governed task and finish group to include all areas of finance are involved in reviewing this process.  Separate monitoring arrangements are needed as it is difficult to legislate for. Systems and Training Team have new monitoring process for One Time Payment, MPA (multiple payment) and interface payments. Creditors provide NSP listing each month. Need to add to Standards and Policy future agenda to review payments but the Policy proposes that this is an annual process.
2.6	The individual Non-Standard Payment Type Approval Form recommended in 2.1, and the One Time Payment (OTP) pre-approval form should have a section asking whether any payments are subject to the Transparency Code guidance. If so, the Payment Type should be rejected, or other mitigation identified.	High	Jane Wilby Chair of Financial Design Assurance Group	September 2022	Actioned  The pre-approval form agreed at FDA Standards & Policy Group has a separate field to request information on this.

2.7	Given the value and payments of public interest involved, Internal Audit recommend that all Transparency reports from April 2020 to date are reviewed and amendments published where necessary. This should include any relevant Treasury payments.	High	Sian Holmes	Revised implementation date: March 2023	Action ongoing  All relevant Treasury payments, inclusive of Covid grants, dating back to April 2020, published in September 2022. Finance and Procurement and Supply Chain collaborated to implement necessary amendment within Integra to ensure all relevant payments are included within the report from this point forward. Treasury payments for April – September 2022 have been uploaded and there are plans to add 2021-22 data.
2.8	Internal Audit recommend that an amended or revised Qtier report is considered for development that would remove or significantly reduce the manual process and risk of errors.	Efficiency/ Effectiveness	Sian Holmes/ Stephen Bottomley	June 2022  Revised implementation date: March 2023	Action ongoing  Full review of our statutory requirements under the transparency is underway and this requirement will be picked up by Chris Boyle as part of that review.  Some changes to Qtier transparency report have been made to make it easier to identify counterparty for NSPs via OTP.
3.2	The Non-Standard Payment Framework should outline a consistent approach to approval levels and values including escalation of unusual/high transactions.  Internal Audit recognise this will need to consider the subsidiary approvals that take place within other systems.	High	Jane Wilby Chair Finance Design Assurance Group	March 2022	Actioned  Refer to 1.3 above - this is included in the Policy.
3.4	The key stakeholders using this payment method (payroll, Fleetmaster and VAT only) should be contacted to nominate separate requistioners and approvers and any necessary changes made to the system and processes.	High	Sean Torpey	March 2022	Actioned  Payroll have confirmed that they have a separation of duty and that the persons approving any payment are not the ones sending the request to my team.

					VAT only invoices would come direct from suppliers.  The Fleetmaster team have confirmed that a supervisor raises and completes the order in Fleetmaster and a member of Business Support forwards the invoices to our automated processing centre for loading to Integra. 4 people are set up on Integra to approve these
					invoices.
3.6	Stakeholders should be advised that control totals of both value and number of transactions should be	High	Stephen Bottomley	March 2022	Actioned
	provided. Any requests without these, or where the approver has not agreed those values should be returned for confirmation.				NSP providers reminded of need to provide control totals (value & volume) when submitting files to process.

#### 7. Safeguarding (People) (issued to Audit and Standards Committee 4.10.21)

#### As at December 2021

**Internal Audit:** This report was issued to management on the 17.9.21 with the latest agreed implementation date of 31.12.22. This report will be followed up and included in the next tracker.

#### As at June 2022

Internal Audit: An update on progress with the recommendations is included below.

#### As at December 2022

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by management on 11.11.22
1.1	The Performance and Audit Group that has recently been re-established should review the performance reporting to ensure there are clear targets, monitoring of trends, identification of action and monitoring of the effectiveness of action(s).	Medium	Janet Kerr and Tim Gollins	1.4.22	Actioned  A meeting was held with all partners on 7.11.22 and a set of 9 quantitative and qualitative measures were agreed upon that would refine the current performance dashboard. The short-

					listed 9 measures have targets and trends identified.  Some of these 9 priority measures will require some changes to data collection and technical data gathering, but with that caveat collectable for Q4.  Performance and Quality group, meets quarterly where the performance measures in place are analysed. Discussions in this group do include decisions about the data we are currently collecting and whether or not it is useful to determine what good looks like. This is not a one-off piece of work but is constantly reviewed.
1.2	The Commissioning team are currently working with the Trust to clarify responsibilities and agree an assurance framework. It is recommended that the Head of Adult Safeguarding liaise with the Commissioning team to ensure the requirements of the Adult Safeguarding Partnership Board (ASPB) to effectively monitor Safeguarding performance is adequately reflected in that discussion, and regular reporting arrangements are put in place, and agreed by the ASPB.	High	Janet Kerr and Tim Gollins	1.4.22  Revised implementation date: 31.3.23	Action ongoing  The Multi-agency Safeguarding Hub (MASH) is being developed, for Q4 2022. A final model has been identified, and partners will now be consulted on resources needed. As part of this process new performance measures have been identified (see above 1.1). Organisational abuse monitoring will be conducted alongside the new systems and processes in the MASH.
2.5	To work with Mental Health to identify ways this timeframe can be bought in line with other adults, and to mitigate any risks with the use of fast track or similar approaches. To ensure allocations to Mental Health are consistently reported which potentially could help fast track clients previously referred.	Critical	Janet Kerr and Tim Gollins	31.12.21	Actioned  This has been actioned in that all alerts we are made aware of are recorded on LAS. While the delegated powers still remain there will be some alerts that are screened out we are not aware of, but the development of the MASH is taking this into account.

2.7	That the process should be clarified to consider the best approach and be fully documented.	Medium	Janet Kerr and Tim Gollins	31.12.21	Actioned  There is a written protocol in place.
2.9	That the Service establish a routine process to quality assess performance using a risk-based approach as to the volume and specific cases to be reviewed.	High	Janet Kerr and Tim Gollins	1.4.22	Actioned  Quality Practice and Performance Frameworks. Including file audits have been developed.
2.10	The message to signpost to other parties where there is a risk to others should be reiterated to staff. Training on this topic should be targeted at the same audience as wider safeguarding training and monitored.	Medium	Janet Kerr and Tim Gollins	31.10.21	Actioned  Guidance has been produced and the training is in place. We reiterate on training about the recording of referrals to professional bodies. PiPoT (Persons in Position of Trust) will move to MASH eventually but regardless our duties are still being carried out.
3.4	That work is carried out in liaison with Mental Health to provide the same evaluation of outcomes and satisfaction as other adults, and an implementation plan and timetable is put in place.	High	Janet Kerr and Tim Gollins	1.4.22  Revised implementation date: 31.3.23	Action ongoing  Refer to 1.1 and 1.2 above.

#### 8. Direct Payments (People) (issued to Audit and Standards Committee 2.3.20)

#### As at Sept 2020

**Internal Audit:** This report was issued to management on the 15.1.20 with the latest agreed implementation date of 30.6.20. This report will be followed up and included in the next tracker.

#### As at April 2021

**Internal Audit:** An update on progress with the recommendations is included below.

#### As at December 2021

Internal Audit: An update on progress with the recommendations is included below.

#### As at June 2022

Internal Audit: An update on progress with the recommendations is included below.

#### As at December 2022

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by Mary Gardner 22.11.22
1.1	It is recommended that the Operational Plan and Service Plan is updated showing a clear link to corporate objectives, building in a process to identify legal responsibilities and demonstrate clear roles and responsibilities within the direct payment process.  SMART targets should be identified and implemented covering service delivery, performance and monitoring arrangements.  A 'fit for purpose' business continuity plan should be established, regularly reviewed and communicated to all staff.  A Service RMP should be established and maintained in accordance with Corporate guidelines.  All the key documents identified above should be reviewed on a yearly basis with a responsible officer/role overseeing this action.	High	Becky Towle Assistant Director of Provider Services	30.4.2020	Actioned  Service/Operational and Business Continuity Plans are completed.
4.1	Internal Audit acknowledges that changes will have taken place since the audit fieldwork ended.  Future work is to be conducted by Internal audit surrounding the Transitions process.	High	Becky Towle Assistant Director of Provider Services	30.4.2020  Revised implementation date: 31.12.22	Action ongoing  The whole of transitions from children to adults and for children with additional needs now has a clear action plan with regular weekly meetings. The re-designed PAT team is now working with the new adults transitions team. We are meeting on the 8th Dec to complete the performance indicators to ensure that ALL assessments are completed in a timely way, visits are undertaken and all support plans including the financial assessments are completed in a timely way.

7.2	Management should ensure that monitoring of the CCG direct payment packages is completed within Children with Disabilities Team (CDT). It is recommended that CDT complete financial monitoring for direct payments, especially where funding is to be recovered from another source, in this case CCG.	Medium	Becky Towle Assistant Director of Provider Services	30.4.2020	Actioned  Audits for CDT have been underway for the last 2 months, this includes CCG health budgets. The project brief for the review of how audits are undertaken has been approved by the Steering Group, again including CCG health budgets.
	It is recommended that system reports are checked as part of the monthly monitoring process to ensure correct payments and recovery of CCG funding and ensure queries can be resolved at source.				

9. Software Licensing (Asset Management) (Resources) (issued to Audit and Standards Committee 1.5.19)

#### As at July 2019

**Internal Audit:** This report was issued to management on the 18.3.19 with the latest agreed implementation date of 1.4.20. The recommendations will be implemented post the current contract and hence the longer than usual implementation timescale. Internal Audit will maintain a watching brief of this area.

#### As at Sept 2020

Internal Audit: An update on progress with the recommendations is included below.

#### As at April 2021

Internal Audit: An update on progress with the recommendations is included below.

#### As at December 2021

Internal Audit: An update on progress with the recommendations is included below.

#### As at June 2022

Internal Audit: An update on progress with the recommendations is included below.

#### As at December 2022

Ref	Recommendation	Priority		Original Implementation Date	Updated position provided by Jon Rayner – ICT Service Delivery Manager on 22.11.22
2.2	Roles and responsibilities for software licensing management to be clearly defined and documented. This links to the recommendation on the Council having in place a clear statement of policy on Software Licensing.  Management to seek the relevant assurance that staff/suppliers employed to manage the Council's software licensing requirements have the necessary skills and expertise to undertake the work.  Management to seek assurance that periodic reviews will be undertaken to ensure compliance with the terms and conditions of licences.  Management to seek assurance that staff/suppliers are skilled in delivering efficiencies within the licensing processes and to clarify and document how this will work in practice.	High	, ,	Revised Implementation	Formally assigned roles to be reviewed under MER with an estimated completion date in Q4. Although MER dates have been pushed back. We are now awaiting the outcome of the Executive Management structure to align the Head of IT to subsequently initiate the ICT MERs.

#### 10. Hardware Asset Management (Resources) (issued to Audit and Standards Committee 1.5.19)

#### As at July 2019

This report was issued to management on the 18.3.19 with the latest agreed implementation date of 1.4.20. The recommendations will be implemented post the current contract and hence the longer than usual the longer than usual implementation timescale. Internal Audit will maintain a watching brief of this area.

#### As at Sept 2020

Internal Audit: An update on progress with the recommendations is included below.

#### As at April 2021

Internal Audit: An update on progress with the recommendations is included below.

#### As at December 2021

**Internal Audit:** An update on progress with the recommendations is included below.

#### As at June 2022

Internal Audit: An update on progress with the recommendations is included below.

#### As at December 2022

Ref	Recommendation	Priority	Responsible	Original Implementation Date	Updated position provided by Jon Rayner – ICT Service Delivery Manager on 22.11.22
2.4	Assurance to be sought on how the new CMDB operated by the Council's supplier SCC, will be integrated with requisition, change, discovery and audit processes. Once this has been fully agreed between all parties, the processes should be fully defined and documented with all roles and responsibilities clearly specified.  Any process should report on users with more than one laptop/asset. Review of these users will ensure that the issue of assets not being disposed of correctly is addressed. A comprehensive starters and leavers process will also aid the process.	High	Mike Weston,	Revised Implementation Timescale Spring 2023	Formally assigned roles to be reviewed under MER with an estimated completion date in Q4. Although MER dates have been pushed back.  We are now awaiting the outcome of the Executive Management structure to align the Head of IT to subsequently initiate the ICT MERs.

#### **RATING KEY**

- Red highlights recommendations outstanding for over 12 months from the originally agreed implementation date.
- Amber highlights recommendations outstanding between 6 to 12 months.
- Yellow highlights recommendations outstanding up to 6 months from the original agreed implementation date.
- Green highlights recommendations that have been completed.

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# Report to Audit and Standards Committee

Report of:	Interim Director of Legal and Governance					
Date:	19 <sup>th</sup> January 2023					
Subject:	Code of Corporate Governance					
Author of Report:	David Hollis					
Purpose of Report:						
The report provides an u	pdate to the Council's Code of Corporate Governance.					
Recommendations:						
That the Committee:-						
approves the updated Code of Corporate Governance						
Background Papers:	NONE					
Category of Report:	OPEN					

## **Statutory and Council Policy Checklist**

Financial & Commercial Implications
NO
Legal Implications
NO
Equality of Opportunity Implications
NO
Climate impact
NO
Tackling Health Inequalities implications
NO
Human Rights 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

#### 1. INTRODUCTION & BACKGROUND

- 1.1 This report provides an update to the Council's Code of Corporate Governance.
- 1.2 Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
- 1.3 Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. CIPFA produce a Framework document which is intended to be followed as best practice for developing and maintaining a local code of governance and for discharging accountability for the proper conduct of public business, through the publication of an annual governance statement that will make the adopted practice open and explicit. The Framework defines the principles that should underpin the governance of each local government body. It provides a structure to help individual authorities with their own approach to governance.
- 1.4 Whatever form of governance arrangements are in place, authorities are urged to test their structures against the principles contained in the Framework by: Reviewing their existing governance arrangements against this Framework. Developing and maintaining an up-to-date local code of governance, including arrangements for ensuring its ongoing application and effectiveness. Preparing a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.

#### 2. PROPOSALS

2.1 The Council's current Code of Corporate Governance was approved by Audit and Standards Committee in October 2020 at a time when the Council was operating executive arrangements. The evidence set out in the Code reflected the role of the executive and in this respect became obsolete when the Council adopted a committee system of governance with effect from its Annual Meeting in May 2022.

The Code of Corporate Governance annexed to this report has been updated to reflect the change in governance arrangements. It sets out how Sheffield City Council complies with the governance framework with reference to the committee system and revised governance documents and will be used to assess our effectiveness as part of the Annual Governance Statement.

#### 3. RISK ANALYSIS & IMPLICATIONS

#### 3.1 **Legal Implications**

- 3.1.1 There are no legal implications arising from this report. Local Authorities are not legally required to have a Code of Corporate Governance.
- 3.2 **Financial and Commercial Implications**
- 3.2.1 There are no financial or commercial implications arising from this report.
- 3.3 **Equality of Opportunity Implications**
- 3.3.1 There are no equality of opportunity implications arising from this report.
- 4. ALTERNATIVE OPTIONS CONSIDERED
- 4.1 None
- 5. REASONS FOR RECOMMENDATIONS
- 5.1 The Council's Code of Corporate Governance needed to be updated to reflect the change from executive arrangements to a committee system of governance.

#### **CODE OF CORPORATE GOVERNANCE**

#### Introduction

The Code of Corporate Governance follows the latest guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), entitled "Delivering Good Governance in Local Government (2016)" This code brings together in one document the various governance and accountability arrangements currently in place.

The guidance defines the seven core principles, each supported by sub-principles that should underpin the governance framework of a local authority:

- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the Council's capacity, including the capability of its leadership and the individuals within it.
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Principles A and B are the overarching requirements for acting in the public interest; achieving good governance in local government also requires effective arrangements for the outcomes of Principles C to G.

#### Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

#### **Summary:**

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

#### **Sub-principles:**

- Behaving with integrity
- Demonstrating strong commitment to ethical values
- Respecting the rule of law

#### Behaviours and actions demonstrating good governance

- Ensuring members and officers behave with integrity and lead a culture where acting
  in the public interest is visibly and consistently demonstrated thereby protecting the
  reputation of the organisation
- Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)
- Leading by example and using the above standard operating principles or values as a framework for decision making and other actions
- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively
- Seeking to establish, monitor and maintain the organisation's ethical standards and performance
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation

#### **Evidence**

- Constitution
- Councillor and Officer Codes of Conduct
- Member Register/Declarations of Interests
- Protocol for Member/Officer Relations
- Financial Regulations
- Contracts Standing Orders
- Anti-Fraud and Corruption Policies (Fraud Risk Management, Fraud Response Plan)
- Anti-Money Laundering Policies
- Audit and Standards Committee
- Monitoring Officer Protocol
- Procedure for dealing with complaints regarding city, parish and town councillors and co-opted members
- One Year Plan / Delivery Plan / Corporate Plan
- Business and Service Planning Guidance

- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation
- Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations
- Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements
- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders
- Dealing with breaches of legal and regulatory provisions effectively
- Ensuring corruption and misuse of power are dealt with effectively

- Whistleblowing Policy
- Ethical Procurement Policy
- Dignity and Respect at Work policies
- Personal Development Reviews
- Job descriptions/person specifications
- Gifts and Hospitality policy

#### Principle B - Ensuring openness and comprehensive stakeholder engagement

#### **Summary:**

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

- Openness
- Engaging comprehensively with institutional stakeholders
- Engaging stakeholders effectively, including individual citizens and service users

Behaviours and actions demonstrating good governance	Evidence
<ul> <li>Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</li> <li>Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</li> <li>Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</li> <li>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</li> <li>Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</li> <li>Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</li> <li>Ensuring that partnerships are based on: <ul> <li>(a) Trust</li> </ul> </li> </ul>	<ul> <li>Council Constitution</li> <li>Access to Information Procedure Rules</li> <li>Committee Decision Making Procedure</li> <li>Public Engagement Toolkit</li> <li>Record of decision making and supporting materials</li> <li>Policy Committee Work Programmes</li> <li>One Year Plan / Delivery Plan / Corporate Plan</li> <li>Health and Wellbeing Board</li> <li>Sheffield Health and Care Partnership</li> <li>Medium Term Financial Analysis</li> <li>State of Sheffield Report 2020</li> <li>Sheffield City Partnership Board (SCPB)</li> <li>Race Equality Commission report</li> <li>Equality Impact Assessments</li> <li>Record of public consultations</li> <li>Budget Consultation</li> </ul>

- (b) A shared commitment to change
- (c) A culture that promotes and accepts challenge among partners, and
- (d) That the added value of partnership working is explicit
- Establishing a clear policy on the type of issues that the organisation will meaningfully
  consult with or involve communities, individual citizens, service users and other
  stakeholders to ensure that service (or other) provision is contributing towards the
  achievement of intended outcomes
- Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement
- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs
- Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account
- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity
- Taking account of the impact of decisions on future generations of tax payers and service users

- Themed consultations to inform policy and strategy development e.g. Transport, Air Quality, City Centre Masterplan
- Joint Strategic Needs Assessment
- SCC Open Data Portal includes spend information for anything above £250
- Full Council meetings
- Policy Committee meetings
- Local Area Committees
- Equality Hubs Network
- Fairness, Tackling Poverty and Social Exclusions Partnership/Board
- Neighbourhood Policing Partnerships
- Welfare Reform Group
- SCPB Framework for an Inclusive and Sustainable Economy
- Housing and Neighbourhoods Advisory Panel
- Safer and Sustainable Communities Partnership
- Tenant Challenge for Change

#### Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

#### **Summary:**

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

- Defining Outcomes
- Sustainable economic, social and environmental benefits

Behaviours and actions demonstrating good governance	Evidence	
<ul> <li>Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions</li> <li>Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</li> <li>Delivering defined outcomes on a sustainable basis within the resources that will be available</li> <li>Identifying and managing risks to the achievement of outcomes</li> <li>Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available</li> <li>Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision</li> <li>Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</li> </ul>	<ul> <li>One Year Plan / Delivery Plan / Corporate Plan</li> <li>Joint Health &amp; Wellbeing Strategy</li> <li>Transport Strategy</li> <li>Air Quality Strategy</li> <li>City Centre Strategic Vision</li> <li>Economic Strategy</li> <li>Green City Strategy</li> <li>Business and Service planning guidance</li> <li>Budget process</li> <li>Risk management framework</li> <li>Record of decision making and supporting materials</li> <li>Equality Impact Assessments</li> <li>Medium Term Financial Analysis</li> <li>Performance Management Framework</li> <li>Consultations</li> </ul>	

- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs
- Ensuring fair access to services

- SCPB Framework for an Inclusive and Sustainable Economy
- Fairness, Tackling Poverty and Social Exclusions Partnership Group
- Tackling Poverty Framework
- Housing Strategies including Homelessness Prevention, Older People's Independent Living

#### Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.

#### **Summary:**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

- Determining interventions
- Planning interventions
- Optimising achievement of intended outcomes

Behaviours and actions demonstrating good governance	Evidence	
<ul> <li>Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided</li> <li>Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</li> <li>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and target</li> <li>Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</li> </ul>	<ul> <li>Committee Decision Making process</li> <li>Business continuity plans</li> <li>Risk management framework</li> <li>Business and Service planning guidance</li> <li>Capital Programme monthly monitoring and approval by Strategy and Resources Policy Committee or Finance Sub-Committee</li> <li>Leadership Boards</li> <li>Achieving change procedure</li> <li>One Year Plan / Delivery Plan / Corporate Plan</li> <li>Budget consultation</li> </ul>	
<ul> <li>Considering and monitoring risks facing each partner when working collaboratively, including shared risks</li> <li>Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances</li> </ul>	<ul> <li>Equality Impact Assessments</li> <li>SCC Consultations</li> <li>Performance Management Framework</li> <li>Employee Opinion Survey</li> </ul>	

- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured
- Ensuring capacity exists to generate the information required to review service quality regularly
- Preparing budgets in accordance with objectives, strategies and the medium term financial plan
- Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy
- Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints
- Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term
- Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage
- Ensuring the achievement of 'social value' through service planning and commissioning

- Medium Term Financial Analysis
- Ethical Procurement Policy

#### Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

#### **Summary:**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

- Developing the entity's capacity
- Developing the capability of the entity's leadership and other individuals

Behaviours and actions demonstrating good governance	Evidence	
<ul> <li>Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</li> <li>Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently</li> <li>Recognising the benefits of partnerships and collaborative working where added value can be achieved</li> <li>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</li> <li>Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</li> <li>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</li> </ul>	<ul> <li>Constitution</li> <li>Committee Decision Making Process</li> <li>Service and Business Planning guidance</li> <li>Performance Management Framework</li> <li>Local Area Committees</li> <li>Benchmarking performance against other local authorities, eg core cities, key cities</li> <li>One Year Plan / Delivery Plan / Corporate Plan</li> <li>Sheffield City Partnership Board</li> <li>Health &amp; Wellbeing Board</li> <li>SCC Consultations</li> <li>Land and Property Plan</li> </ul>	

- Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
- Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:
  - Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged
  - Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis
  - Ensuring personal, organisational and systemwide development through shared learning, including lessons learnt from governance weaknesses both internal and external
- Ensuring that there are structures in place to encourage public participation
- Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections
- Holding staff to account through regular performance reviews which take account of training or development needs
- Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing

- Arrangements for the Delegation of Functions to Officers
- Responsibility for Functions (Part 3 of Constitution)
- Protocol for Member/Officer Relations
- Councillor and Officer Codes of Conduct
- HR policies
- Workforce Strategy
- SCC Communications Strategy
- Induction programme
- Personal Development Reviews
- Senior Responsible Officer for safety and employee wellbeing
- Future Sheffield Programme
- The Council's Values

#### Principle F - Managing risks and performance through robust internal control and strong public financial management.

#### **Summary:**

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

It is also essential that a culture and structure for scrutiny is in place as a key part of decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

- Managing risk
- Managing performance
- Robust internal control
- Managing data
- Strong public financial management

Behaviours and actions demonstrating good governance	Evidence
<ul> <li>Recognising that risk management is an integral part of all activities and must be</li> </ul>	Committee Decision Making Process
considered in all aspects of decision making	Risk Management Framework
<ul> <li>Implementing robust and integrated risk management arrangements and ensuring</li> </ul>	Internal Audit
that they are working effectively	Performance Management Framework
<ul> <li>Ensuring that responsibilities for managing individual risks are clearly allocated</li> </ul>	Audit and Standards Committee
	Whistleblowing Policy

- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review
- Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook
- Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making
- Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement
- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)
- Aligning the risk management strategy and policies on internal control with achieving objectives
- Evaluating and monitoring risk management and internal control on a regular basis
- Ensuring effective counter fraud and anti-corruption arrangements are in place
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor
- Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body:
- ② Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment
- 12 that its recommendations are listened to and acted
- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data
- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies

- Information Governance arrangements and compliance with GDPR
- Financial Regulations
- Business and Service Planning guidance
- Equality Impact Assessments
- Anti-Fraud and Corruption Policies (Fraud Risk Management, Fraud Response Plan)
- Monthly Financial Reporting
- Quarterly performance management reporting
- Compliance with CIPFA Code of Practice
- Annual Governance Statement
- Information Asset Register
- Information Governance and Security Policy
- ICT Acceptable Use Policy
- Data Protection Policy
- Social Networking Policy

#### Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

#### **Summary:**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

- Implementing good practice in transparency
- Implementing good practices in reporting
- Assurance and effective accountability

Behaviours and actions demonstrating good governance	Evidence
<ul> <li>Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</li> <li>Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</li> <li>Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way</li> <li>Ensuring members and senior management own the results reported</li> <li>Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)</li> <li>Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate</li> </ul>	<ul> <li>Full Council and Committee meetings</li> <li>Committee Decision Making Process</li> <li>Publication of agendas, minutes, reports and decisions</li> <li>Audit and Standards Committee</li> <li>Governance Committee</li> <li>Performance Management Framework</li> <li>Annual Statement of Accounts</li> <li>Arrangements for the Delegation of Functions to Officers</li> <li>Responsibility for Functions (Part 3 of Constitution)</li> <li>External Assessments eg Ofsted, CQC</li> <li>Internal Audit</li> </ul>

- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations
- Ensuring that recommendations for corrective action made by external audit are acted upon
- Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon
- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations
- Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement
- Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met

- Monthly revenue and capital monitoring reports to Strategy and Resources Policy Committee or Finance Sub-Committee
- Health and Wellbeing Board
- Safer and Sustainable Communities Partnership Board
- State of Sheffield Report
- SCC Open Data Portal includes spend information for anything above £250
- Housing and Neighbourhoods Advisory Panel
- Freedom Of Information Publication Scheme
- Access to Information Rules
- Tenant Challenge for Change
- Contractual arrangements with third parties

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# Audit and Standards Committee Report

Report of: Interim Director of Legal and Governance and

**Monitoring Officer** 

Date: 11/01/2023

\_\_\_\_\_\_

Author of Report: Sarah Green

**Senior Information Management Officer and** 

**Information Governance Annual Report** 

**Data Protection Officer** 

#### **Summary:**

Subject:

Information Governance is the generic term used to describe how an organisation manages its information, particularly in respect to legislative and regulatory requirements. This report seeks to provide assurance around the policies, processes and practices employed to ensure that we meet those requirements.

**Recommendations:** To note the annual information governance update

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**Background Papers: None** 

Category of Report: OPEN

# **Statutory and Council Policy Checklist**

Financial Implications
NO
Legal Implications
YES
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 Cate McDonald
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

# **REPORT TITLE: Information Governance Annual Report for 2021/22**

1.0	INTRODUCTION
1.1	This report has been written to provide an overview of the Information Governance arrangements and performance at the Council for the last financial year, and to provide assurance around the policies, processes and practices employed to ensure that we meet our legal requirements.
	It is important to note that this is a retrospective report, covering the financial year 2021/22.
2.0	BACKGROUND
2.0	BACKGROUND
2.1	Information Governance is a common term for the distinct, but overlapping, disciplines of data protection; access to information, information security; investigatory powers; information and records management; information sharing; data quality and information assurance.
2.2	The ultimate purpose of Information Governance is to help an organisation to understand its information needs and responsibilities; to define the rules for the management of information flowing in, out and around the business, and to maximise the value of information while minimising the risks.
2.3	Effective Information Governance enables the Council to understand and comply with its legal and administrative obligations; manage, and reduce risks; protect privacy and confidentiality, and support services to deliver to the right people at the right time.
2.4	The Information Governance landscape is complex and subject to laws, regulations, and recommended codes of practice. The key laws include the General Data Protection Regulation 2016/679 (GDPR), which since Brexit has become the UK GDPR; Data Protection Act 2018 (DPA); Freedom of Information Act 2000 (FOIA); Environmental Information Regulations 2004 (EIR), and Regulation of Investigatory Powers Act 2000 (RIPA). The Council can be called upon to demonstrate its compliance with these laws and regulations by members of the public, partner agencies, accrediting bodies, and regulators such as the Information Commissioner's Office (ICO), the Biometrics and Surveillance Camera Commissioner, and the Investigatory Powers Commissioner. These commissioners have powers to impose penalties, including monetary penalties and custodial sentences, on organisations or individuals who breach the laws and regulations.

2.5	To enable the Council to understand and shape Information Governance activity across the organisation and ensure compliance, it has nominated specific information governance roles to officers: Senior Information Risk Owner, Portfolio Information Risk Owners, Caldicott Guardians, Senior Responsible Officer (RIPA), Senior Responsible Officer (CCTV) and the Data Protection Officer. These roles attend the Information Governance Board, which is subsequently supported by key officers and working groups to help embed information governance practice. In 2019/20, the Council nominated its directors to become Information Asset Owners and gave them responsibility for managing risks to the personal data and business critical information held within their services.
3.0	DATA PROTECTION LAWS
0.0	
3.1	2021/22 was the fourth financial year in which the General Data Protection Regulation (GDPR) 2016/679 (now the UK GDPR) and the Data Protection Act (DPA) 2018 have been in force. The Council has continued to work to ensure compliance with the law and an ongoing GDPR Action Plan is in place.
3.2	Where 2017-19 had been spent preparing for GDPR, 2019/20 adapting to the new law, 2020/22 were the years of the pandemic. The government began to prepare for a shake-up of UK data protection law with a consultation in September 2021 called "Data: a new direction". In January 2022, John Edwards, took up his post as the sixth Information Commissioner since the Data Protection Act 1984.
	The Council has continued to work to ensure compliance with the law and an ongoing GDPR Action Plan is in place.
3.3	Data protection compliance remains a key priority for the Council and is currently logged on the Council's Risk Register (Resources Risk ID 352 – High). Work will continue throughout 2022/23 to ensure good practice is understood and embedded into business as usual, and that proper governance is available as and when required to reduce the risk to an acceptable level.
4.0	SUBJECT ACCESS REQUESTS
4.1	Data protection law provides data subjects with a number of rights to better understand and make decisions about the personal data a Data Controller processes about them (Articles 14-22 GDPR). The most commonly exercised right is Article 15, the right of access, which is usually known as a Subject Access Request (SAR).
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4.2	All SARs are logged by the Council's Information Management Team, triaged, and allocated to individual services to provide a response.
4.3	SARs must be answered within a legal time limit – one calendar month, or three calendar months if a request is 'complex'. The Council's Information Governance Board has set the target that 85% of SARs should be answered on time.
4.4	In 2021/22, the Council handled 446 Subject Access Requests, and answered 228 in time (see Appendix B). The overall SAR performance figure for 2021/22 is 51.1%. It should be remembered that 2021/22 was the second full year of the pandemic with huge disruption to council services.
4.5	The ICO has corresponded with the Council on fifteen separate occasions arising from complaints by data subjects concerning Subject Access Requests in 2021/22. The majority of the cases concerned situations where individuals complained to the ICO that they were not provided with the information to which they were entitled within the statutory timeframe. These complaints were upheld. On two occasions, the ICO disagreed with the exemption applied and requested that the Council disclose the information to the complainant.
4.6	The handling of SARs remains a priority for the Council, in particular responding to information requests within the statutory timeframe.
5.0	FREEDOM OF INFORMATION (FOI) AND ENVIRONMENTAL INFORMATION (EIR) REQUESTS
5.1	
	INFORMATION (EIR) REQUESTS  The Council is legally required to respond to requests for information under the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR). Responses must be made within 20 working days, subject to some exceptions. Each response must confirm if the information is held and then either provide the information or explain the reasons why it cannot be

	requests answered in time. The ICO sets the acceptable compliance rate at 90%.
5.4	The compliance rate for FOIs increased each quarter in 2021/22, with Quarter 4 achieving a compliance rate of 86.15%. The improvement in the compliance rate is in line with the work which has taken place across portfolios to address the backlog and to improve the Council's compliance rates. This also includes the move to an online automated platform that has optimised processes.
5.5	The FOI and EIR give a requester the right to appeal about the way their request has been handled. This is known as an Internal Review. The Council has handled 44 Internal Reviews from requests that were received in 2021/22. 16 Internal Reviews remain outstanding. Of the 28 Internal Reviews responded to, the majority were resolved: either the Council changed its position and released information or upheld the original decision and was accepted by the requester.
5.6	In addition to the above, the ICO has corresponded with the Council on seventeen separate occasions concerning FOI/EIR requests received in 2021/22. Of these cases, thirteen were in relation to late information requests, which the ICO upheld in favour of the requester. The remaining four complaints were in relation to exemptions applied, and the ICO found in favour of the Council in two of these cases.
6.0	OPEN DATA
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6.1	Under the Freedom of Information Act 2000, Protection of Freedoms Act 2012, and the Local Transparency Code 2015, the Council is required to publish certain information on its website or open data sites. The Council is committed to open data to support its transparency agenda and routinely publishes information about its services, key decisions, and expenditure.
6.1	Under the Freedom of Information Act 2000, Protection of Freedoms Act 2012, and the Local Transparency Code 2015, the Council is required to publish certain information on its website or open data sites. The Council is committed to open data to support its transparency agenda and routinely publishes information about its
	Under the Freedom of Information Act 2000, Protection of Freedoms Act 2012, and the Local Transparency Code 2015, the Council is required to publish certain information on its website or open data sites. The Council is committed to open data to support its transparency agenda and routinely publishes information about its services, key decisions, and expenditure.  The risk relating to the publication of data on the Council's open data sites, including deciding what data should be published and ensuring that published data is accurate, meaningful, owned and regularly updated, remains logged on the Corporate Risk Register (Resources

6.5	Further work is required to encourage services within organisation to recognise the benefits of open data to help demonstrate the Council's commitments to openness, transparency, and public accountability. This work will be reinvigorated following the reduction of pandemic backlogs.
7.0	INFORMATION SECURITY INCIDENTS AND PERSONAL DATA BREACHES
7.1	The Council is required to log, assess, and mitigate information security incidents and personal data breaches. Incidents can be events that have happened, or near misses that affect or are likely to affect the confidentiality, integrity, and availability of information. Where an incident occurs and affects personal data, this is a personal data breach. Data protection law requires organisations to notify the Information Commissioner's Office of personal data breaches that have a high and ongoing risk to the data subjects affected.
7.2	In 2021/22, 324 incidents were logged through the Council's information security incident process; 108 of these incidents were classed as personal data breaches (see Appendix C1). Most of these breaches involved customer personal data, and were caused by human error with emails or post being delivered to the wrong person. Of these breaches, six were considered to meet the risk threshold and were reported to the Information Commissioner's Office. (see Appendix C2).
7.3	The Information Commissioner has the power to take enforcement action against an organisation for non-compliance with data protection law, which includes data breaches.
7.4	Incidents and data breaches have been reported by all Portfolios. The Services that handle sensitive personal data are at greater risk because an incident or breach is more likely to have a greater impact on the customer or data subject, and therefore meet the threshold to notify the Information Commissioner.
7.5	Consequently, there is a continuing and critical need to manage the information we have, safely and securely; to continue to implement sound data protection practice and to ensure all staff are aware of their responsibilities and have received and completed all the necessary training relevant to their role.
8.0	INVESTIGATORY POWERS COMMISSIONER
8.1	The Council is entitled to use the Regulation of Investigatory Powers Act 2000 (RIPA) and Investigatory Powers Act 2016 to carry out covert surveillance as part of its statutory duties. All applications must be

	approved by a Magistrate before covert surveillance can be carried out.
8.2	The Council must fully document all the applications it makes for covert surveillance, including the use of Covert Human Intelligence Sources, and make the documents available for inspection when required. The Council makes an annual return to the Investigatory Powers Commissioner's Office, which confirms the number of applications that have been considered and submitted to a Magistrate (see appendix D).
8.3	In 2021/2022, the Council did not make any applications for Directed Surveillance.
8.4	The Investigatory Powers Commissioner has the power to inspect an organisation to ensure its covert surveillance process and documentation is in place and compliant with the law. The Council received a desk-based and telephone inspection on 20 August 2020. The information provided has demonstrated a good level of compliance that removed, for the present, the requirement for a physical inspection. There has been no further contact in 2021/22.
9.0	INFORMATION GOVERNANCE RISK AND ISSUES
9.1	In 2021/22, the Council maintained a number of Information Governance Risks and Issues on its Risk Register. These varied in severity – High to Low – covering compliance with UK GDPR, IT Transition and Cyber Security.
9.2	The risks are reported to the relevant senior managers every quarter – Senior Management Teams or the Executive Management Team – to ensure the risks are being progressed or to highlight any issues that affect the treatment plan.
10.0	INFORMATION SECURITY & CYBER SECURITY
10.1	Information security is about the protection of information or, more specifically, its confidentiality, integrity, and availability. The Council is required to take appropriate security measures to protect information, particularly personal data, from accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to information transmitted, stored, or otherwise processed. This is increasingly including the protection of critical infrastructure, which is connected to the internet, or other networks, such as 4G or 5G.
10.2	Cyber security remains a constant threat and is recorded on the Council's asset register as such. Security experts consider that it is impossible to mitigate all cyber security threats and it is a case of when, rather than if, the Council is hit by a cyber-attack. This means

	that the Council's approach must be to minimise the chances of a successful attack and be prepared to recover from any such an attack.
10.3	In addition, the National Cyber Security Centre has advised of significantly increased threat levels from potentially state backed organisations (in particular, following Russian's invasion of Ukraine) and advised organisations to strengthen their security positions.
10.4	The move to hybrid working during and following the pandemic has also significantly changed the environment as the Council can no longer work on the basis that it only has to secure IT equipment located in corporate buildings over which is has full control., A large proportion of officers are now working at home or in non-council buildings.
10.5	The Council has invested heavily in Microsoft technology which support these new ways of working and provide strong security controls. Over this period, they have continued to roll out the security tools which are included in the investments we have made. In addition, we use Microsoft tools to regularly identify security risks and remediate vulnerabilities identified.
10.6	Additional security improvements over this period include moving most of the legacy and unsupported IT infrastructure onto supported infrastructure, and removing the significant threat of having out of date IT equipment across the estate.
10.7	The Council has moved its data to the Microsoft Azure platform, offering more resilient and faster backup solutions and strengthening our defences against the increasing threats of Ransomware attacks.
10.8	In addition to ongoing technical improvements, the Council have continued to work on its security policy framework to ensure we are aligned with industry standards such as ISO27001 and key compliance regimes including Payment Card Industry Data Security Standard (PCI-DSS) and the NHS Data Toolkit required for sharing data with the NHS.
10.9	We have worked during this period to improve our ability to proactively respond to threats through the implementation of Security Incident and Event Management (SIEM) and Security Orchestration and Automation and Response (SOAR) tools – as well as intrusion detection systems (IDS) to enable us to get early warnings of potential threats and incidents and take preventative action.
10.10	The security threat landscape and associated guidance and controls is forever changing and needs to be constantly monitored and kept under review. As part of the ongoing work, changes have been made or are in progress around the technical configuration of e-mail policy,

	administration toolsets and the management of privileged access as well as the development of updated IT Security and Acceptable Use policies.
44.0	DECORDO MANACEMENT
11.0	RECORDS MANAGEMENT
11.1	Records Management is the practice of managing records with the intention of ensuring they are accurate, reliable, and available until they are disposed of or permanently preserved. Effective records management can underpin business practice, support decision making, and improve efficiencies, whereas ineffective records management can hinder operations and present a risk.
44.0	The Council continues to marrial and describe and accommod
11.2	The Council continues to provide guidance, training, and awareness, explore better use of information technology to automate records management processes (especially retention and disposal), and gain a better understanding of management responsibility to own the information processed within their service area.
12.0	TRAINING
12.1	Information governance training is essential to ensure staff and other authorised users, or processers, of council information or systems understand and accept their responsibilities to handle information lawfully and safely. In the event of any complaint, incident or data breach, the Information Commissioner's Office may ask for confirmation as to what training provision is in place and whether the employee involved in the matter has completed the training available.
12.2	The Council has a range of information governance related training, from general awareness courses to bespoke sessions on key topics. General training includes the Data Protection (GDPR) and Information Security e-learning and Regulation of Investigatory Powers e-learning, which were available thought the Sheffield Development Hub. Bespoke training has also been available and delivered to officers needing greater knowledge in key information governance areas, including data protection, data protection impact assessments, privacy notices and information sharing.
12.3	A new mandatory data protection learning module was added to the Sheffield Development Hub in January 2021. 91.30% of Council staff completed the module in 2021/22 with 95.42% of Social Care staff completing the training in time for the 2021/22 NHS Toolkit submission in June 2022.
12.4	Additionally, there has been training of discrete groups such as Foster Carers, student Social Workers and bespoke training for colleagues on Data Protection Impact Assessments, Privacy Notices, and Information Sharing Agreements.

Some external training was commissioned for staff within the Information Management Team, on data protection. In addition, there has also been specialised training on the Freedom of Information Act for Members. Staff have attended free webinars from solicitors' firms, and national information governance trainers on data protection and Freedom of Information. Project managers attended training on Data Protection Impact Assessments and our People-SARs team attended training on Subject Access Request processing.

# Appendix A: FOI and EIR Requests Response Performance 2021/22

		Respons	es Issued			
	Requests Received	Within 20 days	Overdue	Total	% of Responses Issued which were issued within 20 days	% of Responses Issued which were overdue
Quarter 1	418	263	122	385	68.3%	31.7%
Quarter 2	370	272	159	431	63.1%	36.9%
Quarter 3	432	335	43	378	88.6%	11.4%
Quarter 4	471	311	50	361	86.2%	13.8%
Full Year	1691	1181	374	1555	75.9%	24.1%

# Appendix B-1: Subject Access Request Performance 21/22

		Answered in	Answered	
2021/22	Received	time	Late	Compliance %
Qtr 1	91	35	41	38.5
Qtr 2	114	54	25	47.4
Qtr 3	111	79	41	71.2
Qtr 4	130	60	31	46.2
Total	446	228	138	51.1

Year	Received	Answered in	Answered	Compliance %
		time	Late	
2017/18	192	94	98	49
2018/19	297	219	78	74
2019/20	343	295	48	86
2020/21	326	170	133	52

# Appendix C: Reported Information Security Incidents and Personal Data Breaches

### C-1 Quarterly Figures 2021-22

	No. of Incidents	ICO Notified
2021 -22	324	
Q1	108	1
Corruption or inability to recover information	3	0
Information disclosed in error (email, posted, fax, verbal)	82	1
Lost or stolen paperwork	5	0
Lost or stolen hardware	5	0
Online Disclosure (e.g. website, social media)	2	0
Unauthorised access to IT systems	9	0
Unauthorised access to physical documents	1	0
Cyber Attack	1	0
Q2	74	1
Cyber Attack (e.g. virus, ransomware, phishing email)	3	0
Information disclosed in error (email, posted, fax, verbal)	54	1
Unauthorised access to physical documents	0	0
Lost or stolen paperwork	6	0
Lost or stolen hardware	1	0
Online Disclosure (e.g. website, social media)	1	0
Unauthorised access to IT systems	5	0
Corruption or inability to recover information	4	1
Q3	70	3
Cyber Attack (e.g. virus, ransomware, phishing email)	1	0
Information disclosed in error (email, posted, fax, verbal)	54	3
Lost or stolen hardware	5	0
Lost or stolen paperwork	3	0
Online Disclosure (e.g. website, social media)	1	0
Unauthorised access to IT systems	1	0
Unauthorised access to physical documents	1	0
Corruption or inability to recover information	4	0
Q4	72	1
Cyber Attack (e.g. virus, ransomware, phishing email)	1	0
Information disclosed in error (email, posted, fax, verbal)	50	1
Inability to recover information	1	0
Lost or stolen hardware	2	0
Lost or stolen paperwork	1	0
Online Disclosure (e.g. website, social media)	0	0
Unauthorised access to IT systems	4	0
Unauthorised access to physical documents		0
Offauthorised access to physical documents	4	0
Verbal Disclosure	3	0

Non-secure disposal of paperwork	2	0
Other – use of googlemail, complaint re. disclosure	3	0

# C2 – Summary of personal data breaches investigated by the ICO

Ref.	Incident reported	Summary of the personal data breaches investigated by the Information Commissioner's Office	INCIDENT TYPE
SCC 395	11/05/2021	Two people were inadvertently copied into a reply to a member of the public, responding to an informal complaint. The original complaint, whilst ultimately being in the public domain, due its nature, did contain personal data which would have been redacted normally.  Staff were reminded of the importance of following the standard practice for sending emails.  No further action from the ICO.	Information disclosed in error
R5D1	21/07/2021	Personal details regarding a resident's neighbour were shared inappropriately.  The investigation did not find that any personal data had been disclosed inappropriately with other data subjects.  No further action from the ICO.	Information disclosed in error
R7T3	22/09/2021	Personal details from a rates account were disclosed to another and a subject access request was not responded to. There was no evidence found to suggest personal information was shared inappropriately. However, the investigation revealed that staff handling the original complaint did not recognise the Subject Access Request within the letter and did not subsequently follow the process by forwarding the request to the Information Management Team. The manager was reminded of the importance of all staff recognising a request for personal information and the staff were required to re-take the GDPR training, to refresh their understanding. No further action from the ICO.	Information disclosed in error

# Appendix D: Investigatory Powers Commissioner Office Return

	Sheffield City Council	Volume
ie e	The number of applications made for a CHIS authorisation?	0
lven	Of these, the number of applications made for a Juvenile CHIS authorisation?	0
ી) (તુ	The number of CHIS authorisations successfully granted?	0
Irces	Of these, the number of Juvenile CHIS authorisations successfully granted?	0
Sou	The number of urgent applications made for a CHIS warrant?	0
gence	Of these, the number of urgent applications made for a Juvenile CHIS authorisation?	0
ıtelli	The number of CHIS authorisations granted in an urgent case?	0
ligence Sources (CHIS) & Juvenile Covert Human Intelligence Sources (Juvenile CHIS)	Of these, the number of Juvenile CHIS authorisations granted in an urgent case?	0
ļ Į	The number of CHIS authorisations that were renewed?	0
over	The number of CHIS authorisations that were cancelled?	0
o o	The number of CHIS authorisations extant at the end of the year?	0
Juvenil	The age of the Juvenile CHIS at the time of the authorisation's issue? (to be completed in rows below)	0
% ()	Juvenile CHIS age at application	0
	Quantity	0
) sa	Juvenile CHIS age at application	0
urce	Quantity	0
So	Juvenile CHIS age at application	0
ence	Quantity	0
ellige	Juvenile CHIS age at application	0
lnte	Quantity	0
mar	Juvenile CHIS age at application	0
Covert Human Intel	Quantity	0
over	Juvenile CHIS age at application	0
ŏ	Quantity	0
PA	The number of applications made for a Directed Surveillance authorisation?	0
(R	The number of Directed Surveillance authorisations successfully granted?	0
Directed Surveillance (RIPA & RIPSA)	The number of urgent applications made for a Directed Surveillance authorisation?	0
Surve & RIF	The number of Directed Surveillance authorisation granted in an urgent case?	0
o pe ⊗	The number of Directed Surveillance authorisations that were cancelled?	0
Direct	The number of Directed Surveillance authorisations extant at the end of the year?	0

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# **Audit and Standards Committee Report**

Report of:	Interim Director of Legal and Governance				
Date:	19 January 2023				
Subject:	Work Programme				
Author of Report:	Jay Bell, Democratic Services				
Summary:					
The report provides detail	s of an outline work programme for the Committee.				
Recommendations:	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
110

## REPORT OF THE DIRECTOR OF LEGAL AND GOVERNANCE

# AUDIT AND STANDARDS COMMITTEE 19 January

### **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.

David Hollis Interim Director of Legal and Governance

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Date	Item	Author
16 June 2022	Internal Audit Plan 2022/23	Linda Hunter (Senior Finance Manager)
	Progress in High Opinion Reports	Linda Hunter (Senior Finance Manager)
	New Housing System and Project Update	Ajman Ali (Executive Director Operational Services)
	Government Response to The Committee on Standards in Public Life Report	Gillian Duckworth (Director of Legal and Governance)
	Work Programme	Gillian Duckworth (Director of Legal and Governance)
	Strategic Risk Reporting	Helen Molteno (Corporate Risk Manager)
7 July 2022	Closed Meeting with Members and Ernst & Young	
28 July 2022	Summary of Statement of Accounts	Ryan Keyworth (Director of Finance and Commercial Services)
	Internal Audit Annual Fraud Report	Stephen Bower (Finance and Risk Manager)
	Role of the Audit Committee and Training	Claire Sharratt (Senior Finance Manager)
	Work Programme	Gillian Duckworth (Director of Legal and Governance)
22 September 2022	Virtual Training – Learning lessons from recent reports	External Facilitator Bethany Evans
22 September 2022	External Audit Plan 2021/22	External Auditor (EY)

, totall dilla Star	Tudalds VVOIK I Togramme 2022-25- VVOIKing Oop	- <u>y</u>
	Annual Internal Audit Report	Linda Hunter (Senior Finance Manager)
	Formal Response to Audit (ISA 260) Recommendations	Ryan Keyworth (Director of Finance and Commercial Services)
	Interim Standards Complaints Report (Half Yearly)	Gillian Duckworth (Director of Legal and Governance)
	Annual Governance Statement	Gillian Duckworth (Director of Legal and Governance)
20 October 2022	Closed meeting with Members and External Auditors	
17 November 2022	Annual Corporate Complaints Report & Annual Ombudsman Report 2021/22	Corleen Bygraves-Paul (Service Delivery Manager)
	Work Programme	David Hollis (Interim Director of Legal and Governance)
22 December 2022	CANCELLED	
19 January 2023	Progress in High Opinion Reports	Linda Hunter (Senior Finance Manager)
	Code of Corporate Governance	David Hollis (Interim Director of Legal and Governance)
	Information Management Annual Report	Sarah Green (Senior Information Management Officer)
	Work Programme	David Hollis (Interim Director of Legal and Governance)
	Strategic Risk Reporting	Helen Molteno (Corporate Risk Manager)
16 February 2023	Statement of Accounts (Audited)	Tony Kirkham (Interim Director of Finance)
	Report of those Charged with Governance (ISA 260)	External Auditor (EY)

Audit and Sta	ndards vvork Programme 2022-23- vvorking Cor	у
	Annual Standards Report	David Hollis (Interim Director of Legal and Governance)
	Review of Members' Code of Conduct and Complaints Procedure	David Hollis (Interim Director of Legal and Governance)
	Findings of the recommendations on the Annual Complaints and Ombudsman Report from 17 November 2022.	Corleen Bygraves-Paul (Service Delivery Manager)
	Update on the New Housing Management System	Robert Parkin (Assistant Director Legal and Governance)
	Work Programme	David Hollis (Interim Director of Legal and Governance)
9 March 2023	Update on Governance Issues outlined in the Annual Governance Statement	David Hollis (Interim Director of Legal and Governance)
	Whistleblowing Policy Review	Elyse Senior- Wadsworth (Head of Human Resources)
	Community Schools Update	Andrew Jones (Director of Education and Skills)
	Work Programme	David Hollis (Interim Director of Legal and Governance)
13 April 2023	Internal Audit Plan 2023/24	Linda Hunter (Senior Finance Manager)
	Compliance to International Auditing Standards	Tony Kirkham (Interim Director of Finance)
	Work Programme	David Hollis (Interim Director of Legal and Governance)
July / August2023	Audit Training	External Facilitator (TBC)
June 2023	Progress in High Opinion Reports	Linda Hunter (Senior Finance Manager)
	Internal Audit Annual Fraud Report	Linda Hunter (Senior Finance Manager)

Strategic Risk Update	Helen Molteno (Corporate Risk Manager)
Work Programme	David Hollis (Interim 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 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)

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# Agenda Item 10

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

Document is Restricted



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

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