

# Audit and Standards Committee

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**Thursday 22 June 2023 at 5.00 pm**

**Town Hall, Sheffield, S1 2HH**

**The Press and Public are Welcome to Attend**

## **Membership**

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Councillors Mohammed Mahroof (Chair), Sioned-Mair Richards (Deputy Chair), Sue Alston, Fran Belbin, Simon Clement-Jones, Laura McClean and Henry Nottage.

## **Independent Co-opted Members**

Alison Howard.

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## **PUBLIC ACCESS TO THE MEETING**

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

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

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

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

If you require any further information please contact Jay Bell in Democratic Services [jay.bell@sheffield.gov.uk](mailto:jay.bell@sheffield.gov.uk)

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## **FACILITIES**

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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.

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**AUDIT AND STANDARDS COMMITTEE AGENDA  
22 JUNE 2023**

**Order of Business**

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- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of the Press and Public**  
To identify items where resolutions may be moved to exclude the press and public.
- 4. Declarations of Interest** (Pages 5 - 8)  
Members to declare any interests they have in the business to be considered at the meeting.
- 5. Minutes of Previous Meeting** (Pages 9 - 18)  
To approve the minutes of the meeting of the Committee held on 9 March 2023
- 6. Internal Audit Tactical Plan 2023/24** (Pages 19 - 52)  
Report of the Senior Finance Manager, Internal Audit
- 7. Compliance to International Auditing Standards** (Pages 53 - 60)  
Report of the Interim Director of Finance and Commercial Services
- 8. Audit Recommendation Tracker Progress Report** (Pages 61 - 84)  
Report of the Senior Finance Manager, Internal Audit
- 9. Update on Governance Issues outlined in the Annual Governance Statement 2021/22** (To Follow)  
Report of the Interim General Counsel/Monitoring Officer
- 10. Summary of Statement of Accounts (Unaudited)** (Pages 85 - 110)  
Report of the Interim Director of Finance and Commercial Services
- 11. Work Programme** (Pages 111 - 120)  
Report of the Interim General Counsel/Monitoring Officer
- 12. Strategic Risk Report** (Pages 121 - 134)  
Report of the Interim Director of Finance and Commercial Services
- 13. Dates of Future Meetings**  
To note that the next meeting of the Committee will be held on 27 July 2023 at 5.00pm



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## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

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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 General Counsel/Monitoring Officer by emailing [david.hollis@sheffield.gov.uk](mailto:david.hollis@sheffield.gov.uk).

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Audit and Standards Committee

Meeting held 9 March 2023

**PRESENT:** Councillors Colin Ross (Chair), Tom Hunt (Deputy Chair), Simon Clement-Jones, Ben Curran, Garry Weatherall and Alison Howard (Independent Co-opted Member)

**1. APOLOGIES FOR ABSENCE**

1.1 An apology for absence was received from Councillors Angela Argenzio and Kevin Oxley.

**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. PUBLIC QUESTIONS AND PETITIONS**

4.1 The Committee received Public Questions from three members of public, prior to the meeting. One member of the public was in attendance to raise her questions. The Chair (Councillor Colin Ross) mentioned that all the questions were on the same topic therefore a response to all questions would be provided at the meeting and all the public questions will be included in these minutes.

**4.2 Annette Taberner**

1. Is this Committee satisfied that the Chief Executive, along with the Leader of the Council had done an adequate job in responding to the Street Trees Inquiry report. They've said they've changed the culture, although they haven't acknowledged the change to committees or ending of the strong leader model. There was enormous amounts of effort by local people to collect signatures, making the Council have a referendum and then to win the referendum to change the way this council operates. Therefore, is the Committee satisfied with who they appoint to represent the Council in the media.

2. Disappointed that this Committee which oversees risk assessments, high standards and the codes of conduct, along with external auditors, had not been able to identify the issues referred to in the report. Therefore, why hasn't this Committee been able to identify those issues.

3. Why hasn't this Committee organised an urgent meeting to receive that report and respond to it. When is Full Council going to address it and when is the Council going to start taking action on these issues.

#### 4.3 **Ruth Hubbard**

In light of the publication of the Street Trees Inquiry Report:

1. When will the Committee be examining and discussing the Street Tree Inquiry Report given its pivotal role in upholding and maintaining standards of conduct, and the clear and comprehensive failure of these during the years of the street tree crisis as documented in the Report?

2. Will the Committee immediately be drawing the Report to the attention of the auditors Ernst and Young given their statutory duties in investigating and publishing Public Interest Reports and the very serious situation the report documents?

3. In November 2020 at full council (on zoom) there was what I and many others regarded as a clear (and horrible) bullying incident perpetrated on a public petitioner by the then Leader [*name of former Councillor redacted*] (in her last but one meeting). In fact I do not see how anyone could describe it as anything but a clear bullying incident. This was witnessed by all who were there and immediately directly challenged on zoom by two subsequent public questioners, including me.

Over the following months at various council meetings I (and also [*name of public questioner redacted*]) pursued the question of what, if any, action had been taken following the meeting, The answer appeared to be nothing. Eventually, in March 2021 at full council I appeared to be being told by the then Leader [*name of former Councillor redacted*] that I could submit a complaint, if I wanted to. This was despite the incident having been in plain sight, witnessed by all, and I had already, immediately and directly at the time, voiced my complaint. No one in Council took any action at all.

At about the same time, in Feb 2021, this Committee discussed a new Councillor Code of Conduct and passed this on to full council for ratification. (Finally) in a written answer to me at the end of June 2021 [*name of Councillor redacted*] admitted that the November 2020 meeting was "not our finest hour" and also that, in discussing the new Code of Conduct this Committee had not discussed councillor conduct towards citizens nor this specific bullying incident - no one had raised it.

In light of the Inquiry Report, the apparent failure of this Committee throughout the street tree crisis years to fulfil its role to maintain

standards, but also at other times (as above), why should members of the public have any confidence at all in this Committee to do this work, let alone play its required pivotal role? Where is the evidence that there has been any cultural or other shifts at all in its approach to citizens who challenge, or attempt to hold the council to account, when councillors and this committee have, over many years, not even been able to mention let alone discuss these serious issues, in plain sight?

If senior councillors directly involved in the street trees crisis do not resign, and if other councillors do not act - as they could - to enforce basic standards, does this not mean the council 'standards' regime is utterly toothless? None one of our elected members should command the confidence of the public should they, if they cannot routinely and demonstrably uphold basic standards in public life outside and before narrow political calculation?

#### 4.4 **Jon Johnson**

In light of the publication of the Lowcock Report this week, it is apparent that *[name of Councillor redacted]* and *[name of Councillor redacted]* are both clearly identified as having been responsible for many of the failings identified therein. As Councillors are mandated to comply with the Nolan principles, and the conduct identified has clearly breached those principles, how can *[name of Councillor redacted]* and *[name of Councillor redacted]* positions still be tenable on the council? Sheffield City Council's Mission Statement says that 'openness and honesty are important to us'. To give any credence to this, both *[name of Councillor redacted]* and *[name of Councillor redacted]* should resign immediately, or the entire mission statement of the council is meaningless. If these two are to remain in post, please make a statement on behalf of the council as to how these two situations can be mutually exclusive.

1. Councillors such as *[name of Councillor redacted]* and *[name of Councillor redacted]* are still in role and were at the very core of the issues the report highlights. They have confirmed that they will not resign - why have they not been fired or made subject to disciplinary action?
2. It is evident in the report that the public were wilfully and repeatedly misled. Why have all councillors involved in this (extending beyond *[name of Councillor redacted]* and *[name of Councillor redacted]*, and to include those who have retired or moved to the Commons) not been recommended for investigation into whether their conduct amounts to misconduct in public office?
3. Will the Audit and Standards Committee refer itself for disciplinary action considering the absolute failure of oversight it provided throughout this fiasco?

In response to all the public questions, The Chair mentioned there were a misunderstanding of the role of the Audit &

Standards Committee, the Committee did not institute proceedings against individual Members or members of the public. The role of the Audit and Standards Sub-Committee was to determine the outcomes of complaints therefore it would be inappropriate for this Committee to institute proceedings.

The Chair mentioned he was in a different political party to the Leader of the Council, and that he protested with many others throughout the tree dispute, therefore he empathised with the questioner on this matter.

The Council received the report on Monday 6 March 2023 and were considering how to respond to it. You'll have seen the interviews and statements conducted by the Chief Executive and Leader of the Council earlier in the week therefore the Council needed some time to consider this and also how this Committee and auditors may look at lessons learned for the future. The Council recognised there will be legitimate questions from members of the public and Elected Members therefore we needed to allow sufficient time for them to be adequately answered. This was likely to take place after the local elections as this was an issue that will cause for political debate and the Council was about to enter their pre-election period.

What was clear is there had been some serious errors of judgement and the Council had apologies for that. There would be further personal apologies made in due course. Since these events, there had been significant changes in leadership at the Council along with a change in the Councils behaviours and objectives. Although it will take some time to be the Council we want to be, changes had already been put in place to avoid making this mistake again in the future.

(NOTE: In accordance with Council Procedure Rule 26 this urgent Item of business was considered on the recommendation of the Chair, on the basis that the Council wished to allow public questions on the report of high public interest in respect of the Street Tree Inquiry report, published on 6 March 2023).

## **5. MINUTES OF PREVIOUS MEETING**

- 5.1 The minutes of the meetings held on 16 February, 2023 were agreed as an accurate record.

## **6. STATEMENT OF ACCOUNTS (AUDITED)**

- 6.1 The Committee received a report of the Director of Finance and Commercial Services which communicated any relevant matters arising from the external audit of the 2021/22 Statement of Accounts

- 6.2 The Director of Finance and Commercial Services, Tony Kirkham explained that the Council had been working with external audit to identify issues raised as part of their audit. Responses to that audit could be found in the report along with a final set of accounts which were recommended to the Committee to approve.
- 6.3 Claire Sharratt explained that these accounts close the cycle of the 2021/22 year and report in full the Council's position for that year. The accounts have been subject to external audit which were now almost concluded and recommended to the Committee for approval. Once approval is given, the Chair of the Committee, along with the Section 151 Officer will sign the accounts and the letter of representation.
- 6.4 Claire Sharratt gave thanks to everyone involved in the complete process of dealing with the Council's accounts.
- 6.5 Ruth Matheson explained that the unaudited Statement of Accounts were presented to the Committee in July 2022. Since then, 4 main areas had changed in the report which was presented at the meeting. These were: -
- Highways PFI refinance gain – The Department for Transport (DfT) share was presented as deferred revenue. As the DfT's share was effectively their grant funding in advance, an audit adjustment was agreed to amend the balance sheet from 100% deferred revenue, to instead show 50% deferred revenue and 50% grant received in advance.
  - Highways Infrastructure Assets - How these assets are accounted for is an ongoing sector-wide issue. As an interim measure, Government issued a statutory instrument with temporary provisions, alongside additional Code guidance from CIPFA. As a result, we have been able to write off £138.7m under the statutory instrument. The value of Infrastructure assets in the draft accounts was £773.5m and has now reduced to £634.8m.
  - Dwellings Housing Price Index - This adjustment reflects the movement in the index from the unaudited accounts last May, to the most recent HPI figures for 21/22 in February - the difference, a downwards movement of £20.4m in the value of assets has been adjusted in the accounts (£1,545.2m down to £1,524.8m).
  - Council Tax Prepayments - In the unaudited accounts, Council Tax prepayments were incorrectly netted off against debtors, and instead should be recognised as a creditor. An adjustment of £3.9m was made to increase debtors and to increase creditors to correct the presentation.
- 6.6 Following the report, there was no questions or comments from the Committee.

- 6.7 The Chair gave his thanks to all the Officers involved in this piece of work.
- 6.8 **RESOLVED:** That the Committee (1) approves the Statement of Accounts for 2021/22 as set out in the appendix, subject to the finalisation of the audit requiring no further changes; (2) notes in accordance with The Accounts and Audit Regulations 2015, the Chair of the Audit and Standards Committee will sign the Statement of Accounts for 2021/22 on conclusion of the audit by Ernst & Young LLP (EY); and (3) notes the Letter of Management Representations to be submitted to the External Auditor is on the basis set out in the report and this will be signed by the Director of Finance and Commercial Services and the Chair of Audit and Standards Committee.

## 7. **REPORT OF THOSE CHARGED WITH GOVERNANCE (ISA 260)**

- 7.1 The Committee received a report from the Council's external auditor, Ernst & Young.
- 7.2 Hayley Clark explained that Members had seen the majority of the report as part of a report which was presented at the last meeting therefore, they did not intend to go through the report in detail. As mentioned at the previous item, external audit was still working on closing some final areas of the accounts and that a status update had been given on those areas.
- 7.3 Hayley Clark referred to an issue discussed at the last meeting, where the triennial issue could impact on the timeline. She mentioned that CIPFA (Chartered Institute of Public Finance and Accountancy) were producing guidance on this although she was yet to receive it. Therefore, she would monitor of this was to have any impact on signing off on the accounts.
- 7.4 Dan Spiller explained that he would update Members on the errors which were not included in the previous report presented at the previous meeting. These were: -
- Fraud Risk (page 9) – Calculation error which led to figure going over reporting threshold.
  - Fraud Risk (page 10 & 11) – Calculation error due to double counting income/expenditure figures.

It was mentioned that these were not of significant impact.

- 7.5 Dan Spiller explained that the work carried out in relation to Infrastructure Assets was outlined at page 12 and 13 of the report.
- 7.6 Page 14 and 15 of the report gave further detail of the reporting external audit's specialists had given in relation to PPE (Property, Plant and

Equipment). It was mentioned that the main risk identified in this section related to the valuation of car parks. This issue related to the yield (6.25%) used by the Council's valuation team being too strong for a valuation predicted on trading profit. External Audit expected a yield in the region of 11% to 12% for Council run/managed car parks.

- 7.7 Page 26 set out the audit differences between the Council and External Auditors and the adjustments that had been made by management. Page 27 identified the differences that had not been adjusted by management therefore Dan Spiller asked the Committee if they were comfortable with those areas identified.
- 7.8 It was mentioned that page 37 onwards in the report highlighted the control recommendations by external audit. The Committee were directed to the two red rating audits mentioned in this section.
- 7.9 Members of the Committee asked questions and following responses were provided: -
- 7.10 Dan Spiller explained that on page 27 of the report, the second column identified how services were really impacted. He added that none of the areas identified were of significant impact.
- 7.11 Hayley Clark mentioned there could always be lessons learnt when auditing the Council's accounts year on year and that external audit carried out a briefing after the closure of an audit to discuss lessons learnt. This also gave external audit the opportunity to look at how they can audit the Council better going forward. She explained that although the Council had gone through changes, the Council always had an historic well run Finance team which helped the process. It was reported in the Value for Money section of the report that external audit had not identified any areas of significant weakness although due to the recent changes in the council system, she recommended that the Council closely monitor how this change could impact on the Council's budgets, especially as budgets constraints are forever increasing.
- 7.12 The Chair thanked the Council's external auditors Ernst & Young for their audit on the Council's accounts.
- 7.13 **RESOLVED:** That (1) the committee noted the content of the report; and (2) gave approval to the Director of Finance and Commercial Services, in consultation with the Chair, to sign off the final version of Statement of Accounts and Letter of Representation.

## **8. WHISTLEBLOWING POLICY REVIEW**

- 8.1 The Committee received a report from the Interim Director of Legal and Governance which updated the Committee on the review of the Council's Whistleblowing Policy and application.

- 8.2 The Head of HR, Elyse Senior-Wadsworth explained that Whistleblowing policies were important in order to give employees within an organisation safe passage and security when making disclosures.
- 8.3 It was explained that the current policy 'See It Say It' had been in place since 2018 and the last time that policy was brought to this Committee, one recommendation was to review it which had now been carried out.
- 8.4 The Head of HR informed the Committee that under the current policy, there was an average of 1 complaint per year. With only 1 progressing to the investigation stage within the last 3 years. One reason could be that the Council has a good recourse measures in place for people to raise concerns. Although, the Council was seeing an increase in complaints raised generally and that people were reluctant to raise formal complaints therefore not seeing complaints through the whistleblowing procedure was something we should be curious about and investigate.
- 8.5 The Head of HR mentioned how the procedure was communicated and how people understand and use it, were the most important aspect to look at. She added that the HR service along with Corporate Leadership team were doing some work on performance and accountability in April 2023 therefore, there was a natural opportunity to look at this further.
- 8.6 It was stated that there are contact advisors within the Council who's role were to give advice to anyone who may have a complaint. Although, the number of contact advisors had decreased therefore, work needed to be done to train employees to become contact advisors and discharge that responsibility well.
- 8.7 Members of the Committee asked questions and following responses were provided: -
- 8.8 The Head of HR confirmed there would be consultation with the Officer Trade Unions and agreed this was an important aspect to review. She added that Trade Unions are good at challenging officers and policies in order to ensure they read clearly to their members. It was stated that an piece of engagement had recently began to review how the policy could target the minority groups within the organisation.
- 8.9 **RESOLVED:** That the Committee agree for HR to (1) benchmark with core cities on numbers and nature of Whistleblowing complaints; (2) rewrite of policy but no substantive changes, launch with communication in April; and (3) local communication to highlight local delivery context.

## 9. WORK PROGRAMME

- 9.1 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.

9.2 **RESOLVED:** That the work programme be noted.

## **10. DATES OF FUTURE MEETINGS**

10.1 It was noted that the next meeting of the Committee would be held on 13 April, 2023.

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## Audit and Standards Committee Report

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

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**Date:**            **22<sup>nd</sup> June 2023**

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**Subject:**        **Internal Audit Tactical Plan 2023/24**

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**Author of Report:**        **Linda Hunter**

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### **Summary:**

**The report presents the Internal Audit planning methodology and programme of work for 2023/24.**

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### **Recommendations:**

**In respect of the provision of the statutory Internal Audit function and in order to comply with best professional practice (including Public Sector Internal Audit Standards - PSIAS) it is recommended that Members endorse the attached programme of work for 2023/24.**

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### **Background Papers:**

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**Category of Report:**        **Open**

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\* Delete as appropriate

## Statutory and Council Policy Checklist

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|---|
| <b>Financial Implications</b>   |
| No Cleared by Linda Hunter  |
| <b>Legal Implications</b>   |
| NO Cleared by:  |
| <b>Equality of Opportunity Implications</b>                                     |
| NO Cleared by:  |
| <b>Tackling Health Inequalities Implications</b>                                |
| NO  |
| <b>Human rights Implications</b>  |
| NO:   |
| <b>Environmental and Sustainability implications</b>                            |
| NO  |
| <b>Economic impact</b>  |
| NO  |
| <b>Community safety implications</b>  |
| NO  |
| <b>Human resources implications</b>   |
| NO  |
| <b>Property implications</b>  |
| NO  |
| <b>Area(s) affected</b>   |
| Corporate   |
| <b>Relevant Scrutiny Committee if decision called in</b>                        |
| Not applicable  |
| <b>Is the item a matter which is reserved for approval by the City Council?</b> |
| NO  |
| <b>Press release</b>  |
| NO  |

## REPORT TO SHEFFIELD CITY COUNCIL AUDIT AND STANDARDS COMMITTEE 22<sup>nd</sup> June 2023

### Senior Finance Manager Report – 2023/24 Work Programme

#### Purpose of the Report

1. The purpose of this report is to present and communicate to members of the Audit and Standards Committee the internal audit plan for 2023/24.
2. The audit plan that has been developed needs to be flexible and reactive, to respond promptly to changing issues and risks that require Internal Audit review and input. At mid-year (September 2023) members of the Audit and Standards Committee will be provided with an update on the audit plan.

#### Background

3. The strategy for Internal Audit is to focus on areas of high-risk activity in order to provide independent assurance that risk and internal control systems are being properly managed by Directors in service areas.
4. The plan has been developed to ensure sufficient coverage across the Council to inform the overall internal audit opinion, required as part of the Accounts and Audit Regulations. Management are asked to contribute to the planning process; however, the plan and its contents are entirely the responsibility of Internal Audit.
5. Four years ago, an allocation of internal audit resource was re-assigned from assurance work to offer advice and guidance for services as change projects occurred – this was entitled **Internal Audit Business Partnering**. Throughout the course of 2019 to 2023, this resource was used to deliver a number of activities and was very positively received by Directorates. It also enabled Internal Audit to obtain assurances about new systems and processes as they were established and so will assist as the annual internal audit opinion is developed.
6. A number of areas have already been highlighted by Directors as significant risk areas and concerns. The tactical plan has been developed to reflect some of these key issues. This will enable more significant risk areas to be audited as the priority for 23/24.

## **Planning Methodology**

7. To develop a work programme for the use of Internal Audit's resources, consideration is given to the following:
  - The corporate risk management process including the corporate risk register and portfolio risk management plans.
  - The information provided by Directors under the Annual Governance Statement (AGS) process.
  - The areas of highest perceived new or emerging risk as determined by the Chief Executive/Executive Directors/Directors/Heads of Service/Senior Finance Managers/ Finance and Risk Managers.
  - Learning from other Core Cities and South West Yorkshire Group (SWYG) and more general best professional practice.
  - The outcomes from the internal audit risk-scoring methodology.
  - Grants that specify in the grant determination letter that the Head of Internal Audit needs to verify and sign off.

## **Utilisation of the Corporate Risk Management Arrangements**

8. The current risk management process requires service areas to consider risks and either manage and mitigate risks or escalate them up through a process to leadership teams and/or Performance and Delivery Board. The information contained within the corporate risk register and directorate/service risk management plans provide a broad range of risks facing the Council and identifies risk controls, costs, escalation process etc. A number of the higher risk rating entries on the registers/risk management plans have been included in the audit plan.
9. Effective from January 2019, the risk management team moved under the remit of the SFM Internal Audit. There is a close correlation between the work undertaken within the two areas and closer collaborative working has informed both the scope and content of individual audits reviewed to date. During internal audit fieldwork, auditors are also conducting compliance checks regarding adherence to risk management processes. This will continue for 23/24.

## **Utilisation of the Annual Governance Statement**

10. The process for collating information to produce the AGS is managed by Legal and Governance. The Assurance Statement is designed around key governance themes such as Legal, Financial and HR compliance. The returns, which Directors submit and sign up to, provide a wealth of information on how some of the most important internal control arrangements are managed within services. Internal Audit and Risk Managers review this information when identifying areas for the audit plan.
11. In addition, Internal Audit will perform a review of the annual governance statement process to provide assurance that it operates effectively.

## **Structure of the Plan**

12. The format of the tactical plan remains similar to last year, with sections for each directorate/key service area (which includes the business partnering allocation), a section for corporate reviews and then resources dedicated to fraud investigation work and statutory main financial system reviews.
13. Where a directorate or corporate risk register entry exists for a particular auditable area, this is identified on the tactical plan. In scoping each individual audit, the key governance themes of the AGS are considered. More than one theme may be included within the scope of a single audit. All AGS themes are covered to varying degrees and this will help to support the internal audit opinion on the governance, risk and control environment which is provided to the Audit and Standards Committee annually in September.
14. With the changes made to the organisations structure the plan has been amended to reflect changes to date. The People Portfolio has now been removed and replaced with Children's Service tab and Adult, Wellbeing and Care Services tab. The Resources Portfolio tab has been replaced with Strategic Support Service. Operational Services has now been replaced with Neighbourhood Services.

## **Fraud Allegations (Re-active investigations)**

15. An allocation of time is included in the plan to provide for the investigation of allegations of fraud, theft, and corruption. This allocation was increased from 21/22 because we were fully aware that a significant amount of grant payments had been made to individuals and businesses and therefore there was an increased risk of fraudulent activity/claims.

16. Some investigations are carried out directly by Internal Audit and for others Internal Audit provides support to management for them to carry out their own reviews.

### **Pro-active Counter Fraud Work**

17. The National Fraud Initiative (NFI), under the remit of the Cabinet Office, has grown in recent years and will probably continue to expand. It is no longer exclusively focused on housing benefit fraud, as new areas of scrutiny continue to be added e.g. SCC data matched with HMRC, as well as COVID business grant data.
18. Internal Audit continues to administer the system and oversee the submission of data for the NFI, the process works (on the most part) on a 2-year cycle, with the exception of grants and Single Person Discount, that are done annually. 2023/24 is the year when we investigate the matches which have just been received. Internal Audit monitor the matches distributed to the relevant service areas for review, investigation, and correction where necessary. Internal Audit will ensure the match work is completed to the required standards and timescales and subsequently report on the outcomes later in the year.
19. In addition to the above Internal Audit has four pieces of proactive fraud work planned. These reviews look at activities that are more susceptible, by the nature of what they encompass, to fraud. Internal Audit examines each activity's overall fraud risks to ensure that all the areas of fraud have been identified. These exercises have been successful in identifying weak or inconsistent controls and management arrangements.
20. The work on proactive fraud may subsequently lead to more specific case investigations. Flexibility is therefore required in the use of the fraud investigation resource. Nevertheless, if the volume of fraud allegations increases, or a large-scale investigation becomes necessary, resources will be transferred from other areas of the internal audit plan.
21. Last year, the fraud awareness e-learning course was refreshed, and this has now been concluded by the Internal Audit team. This course is mandatory training for all managers and available for all staff across the Council to complete on the Go Learn platform.

### **Main Financial Systems (MFS)**

22. Internal Audit reviews the key financial systems of the Council every year, and this aspect of the work of Internal Audit is crucial in supporting the S151 officer responsibilities.



23. From April 2018, Internal Audit introduced a cyclical testing regime for the MFS reviews, which will involve a full system review in year 1 followed by transaction testing, which meets External Audit requirements, in year 2.

### **Risk Based Audits of Systems/Services/Functions**

24. The resource not utilised on the above elements is devoted to undertaking reviews of the areas of most perceived risk as identified by Internal Audit in consultation with key officers i.e. principally the Executive Directors and Directors.
25. At the beginning of each audit assignment the relevant Service Manager will also be consulted to ensure that current risk areas are included in the remit for the work.

### **Internal Audit Business Partnering**

26. This assurance work offers advice and guidance as change projects occurred and is very positively received by Directorates.
27. We are able to take a pro-active, supportive role to assist services in embedding change. It also enables Internal Audit to obtain assurances about new systems and processes as they were established and so will assist in the development of the annual internal audit opinion.
28. The Business Partnering resource will continue to be monitored as part of the performance indicators for Internal Audit.
29. Internal Audit is also a 'core' member of the Finance Design Assurance Group (FDAG) so some Business Partnering resource has been assigned to this area of work. The Group works with key stakeholders across the organisation, to oversee the development of robust yet flexible financial design principles that supports the development of changes to systems/ structure or scope of operations with financial implications. The Group assesses proposals that have a material impact on the Council's financial systems and processes and considers impact assessments. Internal audit are also members of the Standards and Policy Group and Finance Systems Transformation Board.

## Summary of the Audit Plan

30. The following represents the summary of the planned audit time for the current year.

| <b>Auditable Area</b>                      |                     | <b>Days</b>  | <b>% of the total</b> |
|--|---------------------|--------------|-----------------------|
| Corporate Reviews                          |                     | 63           | 4                     |
| City Futures                               | Assurance           | 85           | 5                     |
|  | Business Partnering | 27           | 2                     |
| Neighbourhood Services                     | Assurance           | 165          | 10                    |
|  | Business Partnering | 38           | 2                     |
| Children Services                          | Assurance           | 292          | 17                    |
|  | Business Partnering | 30           | 2                     |
| Adult, Wellbeing and Care Services         | Assurance           | 158          | 9                     |
|  | Business Partnering | 49           | 3                     |
| Strategic Support Services                 | Assurance           | 280          | 17                    |
|  | Business Partnering | 137          | 8                     |
| Public Health and Integrated Commissioning | Assurance           | 25           | 1                     |
|  | Business Partnering | 0            | 0                     |
| Main Financial Systems                     | Assurance           | 54           | 3                     |
|  | Business Partnering | 0            | 0                     |
| Investigations                             | Assurance           | 245          | 14                    |
|  | Business Partnering | 44           | 3                     |
| <b>Total</b>                               |                     | <b>1,692</b> | <b>100%</b>           |

| <b>Assessed Priority</b> | <b>Outputs</b> |
|--------------------------|----------------|
| High Priority            | 84             |
| Medium Priority          | 1              |
| Low Priority             | 0              |
| Statutory                | 29             |
| <b>Total</b>             | <b>114</b>     |

31. Attention is also drawn to the first call list (last page/tab of the plan), which highlights the reviews identified during the planning process which will not be completed in 2023/24. In most cases, there are service-based reasons why an audit review cannot be undertaken in 2023/24.

32. The first call list is effectively the 18 month audit plan, as reviews included on the first call list will be included in the plan for 2024/25, assuming they are still relevant.
33. The 2023/24 annual plan is attached at Appendix 1.

### **Future Considerations**

34. Throughout the coming year, Internal Audit will evaluate the plan to ensure we are directing internal audit resources at the main risks facing the authority.
35. It is recommended in the Public Sector Internal Audit Standards that any significant changes to the plan are also reported to the Audit and Standards Committee. As a result, Internal Audit have defined 'significant' as a 15% change to the audits ratified in the June meeting, and in the event of this level of change, will report to the October Committee.

### **FINANCIAL IMPLICATIONS**

36. There are no direct financial implications arising from the report.

### **EQUAL OPPORTUNITIES IMPLICATIONS**

37. There are no equal opportunities implications arising from the report.

### **CONCLUSION**

38. The audit plan summarises a risk based programme of work which demonstrates that the Council has made provision to discharge its (and officers) statutory responsibilities.

### **RECOMMENDATION**

39. In respect of the provision of the statutory internal audit function and in order to comply with best professional practice it is recommended that members endorse the attached programme of work for 2023/24.

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**Overall Summary By Directorate and Audit Type  
2023/24**

|  | Corporate* | City Futures | N'hood Services | Children   | Adults     | Public Health & Integrated Commissioning | Strategic Support Services | Investigations | MFS       | Total Days  |
|--|------------|--------------|-----------------|------------|------------|--|----------------------------|----------------|-----------|-------------|
| Compliance Audits                      | 0          | 0            | 0               | 8          | 0          | 0  | 0                          | 0              | 49        | 57          |
| Risk Based Audit                       | 38         | 76           | 133             | 195        | 144        | 25                                       | 197                        | 125            | 0         | 933         |
| Business Partnering                    | 5          | 27           | 38              | 30         | 49         | 0  | 137                        | 44             | 0         | 330         |
| VFM                                    | 0          | 0            | 0               | 0          | 0          | 0  | 45                         | 0              | 0         | 45          |
| School Control Risk Self Assessment    | 0          | 0            | 0               | 10         | 0          | 0  | 0                          | 0              | 0         | 10          |
| School Visits                          | 0          | 0            | 0               | 40         | 0          | 0  | 0                          | 0              | 0         | 40          |
| Application Reviews                    | 0          | 0            | 0               | 0          | 0          | 0  | 15                         | 0              | 0         | 15          |
| Follow Up Audits                       | 0          | 0            | 0               | 5          | 0          | 0  | 0                          | 0              | 5         | 10          |
| Investigations                         | 0          | 0            | 0               | 0          | 0          | 0  | 0                          | 120            | 0         | 120         |
| Pro-active Fraud Reviews               | 0          | 0            | 0               | 0          | 0          | 0  | 0                          | 0              | 0         | 0           |
| Grant certification / account sign off | 20         | 9            | 32              | 34         | 14         | 0  | 23                         | 0              | 0         | 132         |
| <b>Total Days</b>                      | <b>63</b>  | <b>112</b>   | <b>203</b>      | <b>322</b> | <b>207</b> | <b>25</b>                                | <b>417</b>                 | <b>289</b>     | <b>54</b> | <b>1692</b> |
| No of audits                           | 2          | 3            | 7               | 10         | 6          | 1  | 16                         | 8              | 4         | 57          |
| No of Business Partner reviews         | 1          | 2            | 4               | 2          | 2          | 0  | 9                          | 0              | 0         | 20          |
| No of follow-up reviews                | 0          | 0            | 0               | 0          | 0          | 0  | 0                          | 0              | 1         | 1           |
| Grant certification/account sign-off   | 1          | 2            | 11              | 11         | 2          | 0  | 2                          | 0              | 0         | 29          |
| School visits/reports                  | 0          | 0            | 0               | 7          | 0          | 0  | 0                          |                | 0         | 7           |
| <b>Productive Outputs**</b>            | <b>4</b>   | <b>7</b>     | <b>22</b>       | <b>30</b>  | <b>10</b>  | <b>1</b>                                 | <b>27</b>                  | <b>8</b>       | <b>5</b>  | <b>114</b>  |

exc reactive

|                      |          |          |           |           |           |          |           |          |          |            |
|----------------------|----------|----------|-----------|-----------|-----------|----------|-----------|----------|----------|------------|
| High Priority        | 2        | 5        | 11        | 21        | 8         | 1        | 25        | 6        | 5        | 84         |
| Medium Priority      | 1        | 0        | 0         | 0         | 0         | 0        | 0         | 0        | 0        | 1          |
| Statutory            | 1        | 2        | 11        | 9         | 2         | 0        | 2         | 2        | 0        | 29         |
| <b>Total Outputs</b> | <b>4</b> | <b>7</b> | <b>22</b> | <b>30</b> | <b>10</b> | <b>1</b> | <b>27</b> | <b>8</b> | <b>5</b> | <b>114</b> |

exc reactive

\* Cross cutting reviews covering multiple Directorates

\*\* excludes Business Partnering general resource

| Area      | Audit Title   | Audit Type                             | IA Assessed Risk | Proposed assurance to be obtained   | Portfolio Risk Mgt Plan | Corporate Risk Register |
|-----------|---|--|------------------|---|-------------------------|-------------------------|
| Corporate | Grants  | Grant certification / account sign off | Statutory        | A contingency pot to be used during 23/24 when grants are identified. To provide an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.   |                         | Yes                     |
| Corporate | Race Equality Commission Report - follow up of agreed actions | Business Partnering                    | High             | To provide assurance that the agreed recommendations are progressing and a lead is assigned and co-ordinating full and prompt compliance.   |                         |                         |
| Corporate | Organisational Culture  | RBA                                    | High             | To explore officers understanding with various aspects of governance and internal control and what they understand their role to be in relation to these. To include values, beliefs and assumptions about how people should behave and interact; how decisions should be made and how work activities should be carried out. |                         |                         |
| Corporate | External Traded Services charging                             | RBA                                    | Medium           | A review of the processes used across the Council for all Traded Services to provide assurance on consistency.  |                         |                         |

| Area                                    | Audit Title  | Audit Type                             | IA Assessed Risk | Proposed assurance to be obtained   | Portfolio RMP | CRR         |
|---|--|--|------------------|---|---------------|-------------|
| <b>City Futures</b>                     |  |  |                  |   |               |             |
| Cross Directorate                       | Business Partnering                                | Business Partnering                    | High             | Allocation to be called upon by management on an ad-hoc basis.  |               |             |
| Cross Directorate                       | Financial Design Assurance Group (FDAG)            | Business Partnering                    | High             | To provide support to management in the development of systems and allied control frameworks to ensure that they comply with financial standards and best practice. |               |             |
| Cross Directorate                       | Grants - Contingency allocation                    | Grant certification / account sign off | Statutory        | Contingency for grant sign offs required by service areas.  |               |             |
| Investment, Climate Change and Planning | Member engagement on the Transport Strategy        | RBA                                    | High             | A review on the Transport Strategy and involvement/communication with Members.  |               |             |
|   | Climate Oversight Board - governance and processes | RBA                                    | High             | To provide assurance on the operation, governance and processes of the Board.   |               | 181/<br>182 |
|   | Capital projects commissioning (Transport)         | RBA                                    | High             | A review the commissioning of capital projects for the transport schemes, including the relationship and interaction with delivery.                                 |               |             |
|   | Safer Roads Grant 31/6572                          | Grant certification / account sign off | Statutory        | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.                           |               |             |

|                           |                                  |     |      |  |  |  |
|---------------------------|----------------------------------|-----|------|--|--|--|
| Regeneration and Delivery | Regeneration Boards - governance | RBA | High | A review of the governance arrangements for the Regeneration Boards. |  |  |
|---------------------------|----------------------------------|-----|------|--|--|--|



| Area                          | Audit Title   | Audit Type                             | IA Assessed Risk | Proposed assurance to be obtained   | Portfolio RMP | CRR |
|-------------------------------|---|--|------------------|---|---------------|-----|
| <b>Neighbourhood Services</b> |   |  |                  |   |               |     |
| Cross Directorate             | Business Partnering - Gas and Fire Regulation review, including quality assurance for the service | Business Partnering                    | High             | Provide a quality assurance check on the work already done by the service in preparation for the review.  | 801           |     |
| Cross Directorate             | Business Partnering   | Business Partnering                    | High             | Allocation to be called upon by management on an ad-hoc basis.  |               |     |
| Cross Directorate             | Financial Design Assurance Group (FDAG)   | Business Partnering                    | High             | To provide support to management in the development of systems and allied control frameworks to ensure that they comply with financial standards and best practice. |               |     |
| Cross Directorate             | Grants - Contingency allocation   | Grant certification / account sign off | Statutory        | Contingency for grant sign offs required by service areas.  |               |     |
|                               | Moor Market charges sign off 22/23  | Grant certification / account sign off | Statutory        | To provide assurance that the service charge has been calculated methodically and all costs included are legitimate and eligible for the Moor Market.               |               |     |
|                               | Crystal Peaks market charges sign off 22/23   | Grant certification / account sign off | Statutory        | To provide assurance that the service charge has been calculated methodically and all costs included are legitimate and eligible for the Crystal Peaks Market.      |               |     |

|                             |  |  |           |   |     |  |
|-----------------------------|--|--|-----------|---|-----|--|
|                             | Local Authority Bus Subsidy Grant (BSOG)               | Grant certification / account sign off | Statutory | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with. Grant to support bus services and provision of infrastructure. Required by 30.9.23. |     |  |
| Street scene and Regulation | Local Transport Partnership - grant sign off (31/3693) | Grant certification / account sign off | Statutory | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.   |     |  |
|                             | Pest Control   | RBA                                    | High      | Provide assurance that the controls in place for the service are robust. This will include income generation and health and safety arrangements.  | 887 |  |
|                             | Biodiversity Grant - 31/6499                           | Grant certification / account sign off | Statutory | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.   |     |  |
| Housing Services            | Rough Sleeping - Drug and Alcohol Treatment Grant      | Grant certification / account sign off | Statutory | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.   |     |  |
|                             | Rough Sleepers Initiative Grant 2022-25                | Grant certification / account sign off | Statutory | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.   |     |  |
|                             | Home Upgrade 2 - Grant - sign off (31/5947)            | Grant certification / account sign off | Statutory | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.   |     |  |

|                              |  |  |           |   |          |     |
|------------------------------|--|--|-----------|---|----------|-----|
|                              | Homeless Prevention Grant  | Grant certification / account sign off | Statutory | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.         |          |     |
|                              | Better Repairs Board - Reporting   | RBA                                    | High      | To provide assurance on the robustness of repairs reporting to the Board.   | 2209/895 |     |
|                              | Consistency of the repairs process                                       | RBA                                    | High      | A review of the repairs process used across the Directorate, to ensure that all controls are robust and the processes are effective.              | 2209/895 |     |
| Direct Services              | Condition Surveys (buildings)  | RBA                                    | High      | A review of the condition surveys process to ensure that all controls are robust and the processes are effective.                                 |          | 152 |
| Parks, Leisure and Libraries | Independent inquiry - Street Tree dispute action plan and lessons learnt | Business Partnering                    | High      | To review the action plan following the Independent Tree inquiry and ascertain progress, allocated named officers responsibilities and timeframe. |          |     |
|                              | Procurement of business contracts in Parks                               | RBA                                    | High      | To provide assurance that procurement of business contracts in the Councils parks is sound and effective.   |          |     |
| Customer Services            | Complaints and compliments process                                       | RBA                                    | High      | To provide assurance to management that the customer complaints and compliments processes are being adequately controlled.                        |          |     |
| Community Services           | Family Hub   | Grant certification / account sign off | Statutory | Assurance that the Family Hubs and Start for Life Grant is spent in accordance with the approved delivery plan.                                   |          |     |

| Area   | Audit Title   | Audit Type                             | IA Assessed Risk | Proposed assurance to be obtained   | Portfolio RMP | CRR |
|--|---|--|------------------|---|---------------|-----|
| <b>Children's Services</b>                       |   |  |                  |   |               |     |
| Cross Directorate                                | Business Partnering                                   | Business Partnering                    | High             | Allocation to be called upon by management on an ad-hoc basis.  |               |     |
| Cross Directorate                                | Financial Design Assurance Group (FDAG)               | Business Partnering                    | High             | To provide support to management in the development of systems and allied control frameworks to ensure that they comply with financial standards and best practice. |               |     |
| Cross Directorate                                | Grants - Contingency allocation                       | Grant certification / account sign off | Statutory        | Provision for any unknown grants that require auditing. May be due to change in requirements of grant funder or no notification from service for new grants.        |               |     |
| Cross Directorate                                | Service Governance                                    | RBA                                    | High             | Overall service review of business governance and approach to ensuring quality service delivery.  | 254           | 172 |
| Cross Directorate - Including Community Services | School and Social Work Transport Services             | RBA                                    | High             | Assurance of effective policies, assessments, routes and demand planning.   | Place 2194    |     |
| Education and Skills                             | Holiday Activity and Food Grant                       | Grant certification / account sign off | Statutory        | Internal Audit assurance of grant claim and compliance to terms and conditions.   |               |     |
| Education and Skills                             | Basic Needs Allocation (BNA)                          | Grant certification / account sign off | Statutory        | To provide assurance of this capital grant for school place provision.  |               |     |
| Education and Skills                             | Higher Basic Needs Allocation – School Places special | Grant certification / account sign off | Statutory        | To provide assurance of this capital grant for provision of school places to meet additional/higher need pupils.  |               |     |
| Education and Skills                             | Condition Funding                                     | Grant certification / account sign off | Statutory        | To provide assurance of this capital grant to improve the condition of school buildings.  |               |     |

| Area  | Audit Title   | Audit Type                             | IA Assessed Risk | Proposed assurance to be obtained  | Portfolio RMP | CRR |
|---|---|--|------------------|--|---------------|-----|
| Education and Skills                                  | Virtual Heads   | Grant certification / account sign off | Statutory        | To provide assurance of this grant to improve educational outcomes for children with a social worker.  |               |     |
| Education and Skills                                  | Special Educational Needs and Disability (SEND) Tribunals | RBA                                    | High             | A review of the tribunal process which is financially costly and impacts on child and families.  | 19            | 10  |
| Education and Skills                                  | Elective Home Care Education                              | RBA                                    | High             | Review of effectiveness of the service and support to families.  | 228           |     |
| Education and Skills                                  | Dedicated Schools Grant                                   | RBA                                    | High             | Assurance of the effectiveness of governance arrangements, including legacy arrangements and financial risks.  | 22            | 132 |
| Education and Skills and involving Community Services | Not in Education, Employment or Training - NEETS          | RBA                                    | High             | To review the effectiveness of the policy and procedure to support and reduce numbers of NEETS. Responsibility lies with the Children's Services Leadership Team but service is delivered within Community Services. |               |     |
| Schools   | Dobcroft School   | Grant certification / account sign off | High             | This school receives a collaborative fund grant from DfE who require an internal audit assurance.  |               |     |
| Schools   | Talbot School   | Grant certification / account sign off | High             | This school receives a collaborative fund grant from DfE who require an internal audit assurance.  |               |     |
| Schools   | Sheffield Inclusion Centre                                | Grant certification / account sign off | Statutory        | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.  |               |     |
| Schools   | School Financial Values Standards (SFVS)                  | Compliance                             | Statutory        | To co-ordinate the return and complete the annual return to the DfE. Schools that do not complete the SFVS return for 2022/23 may be selected for an audit visit.  |               |     |

| Area                  | Audit Title   | Audit Type                             | IA Assessed Risk | Proposed assurance to be obtained  | Portfolio RMP | CRR |
|-----------------------|---|--|------------------|--|---------------|-----|
| Schools               | Schools Risk Management Framework and template update | Business Partnering                    | High             | To review and update the Schools Risk Management Framework and template then upload to SchoolPoint.  |               |     |
| Schools               | Individual Schools                                    | School Visit                           | High             | Selection of approx. 5 schools for individual audit to give overall assurance on Schools management.   |               |     |
| Schools               | Seven Hills School                                    | Follow up                              | High             | Follow up audit to establish progress against agreed recommendations. Original limited assurance opinion report.   |               |     |
| Schools               | Risk Management arrangements and register             | CSRA                                   | High             | CRSA exercise to ascertain whether the controls in place around risk management are effective.   |               |     |
| Children and Families | Children's Home                                       | Follow up                              | High             | Follow up audit to establish progress against agreed recommendations. Original limited assurance opinion report.   |               |     |
| Children and Families | Special Guardianship orders                           | Grant certification / account sign off | Statutory        | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with.  |               |     |
| Children and Families | Building Successful Families (Payment by Results)     | Grant certification / account sign off | High             | Verification and validation checks on a 5% representative sample of the MAST cases.  |               |     |
| Children and Families | Regional Adoption Agency                              | RBA                                    | High             | To review the effectiveness of the new arrangement and provide assurance that VFM is still effective compared to the previous operational model. To be done in conjunction with other 4 authorities. | 244           |     |
| Children and Families | Youth Justice   | RBA                                    | High             | Assurance against the National Standards.  |               |     |
| Children and Families | Family Time   | RBA                                    | High             | Review of service following insourcing and large increase in spend.  |               |     |

| Area                  | Audit Title         | Audit Type | IA Assessed Risk | Proposed assurance to be obtained   | Portfolio RMP | CRR |
|-----------------------|---------------------|------------|------------------|---|---------------|-----|
| Children and Families | Section 17 Payments | RBA        | High             | Review of payments made under section 17 of the Children's Act 1989, and which incorporates the Household Support Fund provision. Assurance that policies and practice are effective. | 290           |     |

| Area                                     | Audit Title   | Audit Type                             | IA Assessed Risk | Proposed assurance to be obtained  | Portfolio RMP | CRR     |
|--|---|--|------------------|--|---------------|---------|
| <b>Adult, Wellbeing and Care Service</b> |   |  |                  |  |               |         |
| Cross Directorate                        | Business Partnering                                 | Business Partnering                    | High             | Allocation to be called upon by management on an ad-hoc basis.   |               |         |
| Cross Directorate                        | Financial Design Assurance Group (FDAG)             | Business Partnering                    | High             | To provide support to management in the development of systems and allied control frameworks to ensure that they comply with financial standards and best practice.  |               |         |
| Cross Directorate                        | Grants - Contingency allocation                     | Grant certification / account sign off | Statutory        | Provision for any unknown grants that require auditing. May be due to change in requirements of grant funder or no notification from service for new grants.   |               |         |
| Cross Directorate                        | Hospital Discharges into Social Care                | RBA                                    | High             | To assess the effectiveness of the process and monitoring and trajectory towards achieving Adult Social Care Outcomes Framework discharge measures. Will include effectiveness of Short Term Intervention Team role and cost/contribution implications with NHS. | 367/2242      | 155/178 |
| Cross Directorate                        | Care Quality Commission (CQC) Assurance             | Business Partnering                    | High             | Assurance that adequate planning and preparation in all areas of CQC Assessment.   | 2268          | 184     |
| Cross Directorate                        | Director of Adult Social Services (DASS) Compliance | RBA                                    | High             | Assurance that the statutory role of DASS Officer is compliant with legal requirements.  | 338           | 178     |
| Cross Directorate                        | Continuing Health Care (CHC)                        | RBA                                    | High             | Assurance that CHC process and engagement with Clinical Commissioning Groups (CCG) is effective and has comparable outcomes to other authorities.  | 306           | 155     |
| Cross Directorate                        | Transitions   | RBA                                    | High             | Review of process across Children's and Adults to ensure legal compliance and adherence to Care Quality Commission guidance.   |               |         |



| Area                   | Audit Title   | Audit Type                             | IA Assessed Risk | Proposed assurance to be obtained   | Portfolio RMP      | CRR        |
|------------------------|---|--|------------------|---|--------------------|------------|
| Living and Ageing Well | Disability Facilities Grant                               | Grant certification / account sign off | Statutory        | Statutory responsibility - an audit opinion on the grant usage and assurance that the grant terms and conditions have been complied with. |                    |            |
| Living and Ageing Well | Prevention, Wellbeing & Independence                      | RBA                                    | High             | To determine if we are improving lives and outcomes of people and intervening early to promote wellbeing and independence.                | P202               |            |
| Adult Commissioning    | Effective contracts management in Adult Social Care (ASC) | RBA                                    | High             | Review of effective management of ASC contracts including stability of providers. Focus on best practice and benchmarking.                | 369<br>352<br>1817 | 162<br>175 |

| Area  | Audit Title              | Audit Type | IA Assessed Risk | Proposed assurance to be obtained  | Portfolio RMP | CRR |
|---|--------------------------|------------|------------------|--|---------------|-----|
| <b>Public Health and Integrated Commissioning</b> |                          |            |                  |  |               |     |
|   | Integrated Commissioning | RBA        | High             | To provide assurance to management, that the processes in place of integrated commissioning are operating effective. |               |     |

|  | Area                            | Audit Title  | Audit Type          | IA Assessed Risk | Proposed assurance to be obtained   | Portfolio RMP | CRR |
|--|---------------------------------|--|---------------------|------------------|---|---------------|-----|
|  | <b>Investigations</b>           |  |                     |                  |   |               |     |
|  | Re-active Investigations        | Time for investigations  | Investigation       | High             | Undertake investigations and support service managers where there are allegations of potential fraud.   | R158          |     |
|  | Re-active Investigations        | Advice to Management   | Investigation       | High             | This is a resource to provide ad-hoc advice to management across the Council in relation on-going management investigations.  | R158          |     |
|  | Re-active Investigations        | Report to Members on the outcome of the fraud Investigation work | Investigation       | High             | To coordinate the submission of data for the annual protecting the public purse exercise and for reporting this through to Members of the Audit and Standards Committee.  | R158          |     |
|  | Re-active Investigations        | Interim review and update of the Fraud prevention policies       | Investigation       | High             | The Council has a number of policies concerning the prevention, detection and management of potential fraud issues. These were fully updated in June 2022. This is a smaller review to ensure that the current policies remain relevant and up to date. | R158          |     |
|  | National Fraud Initiative (NFI) | Data responses   | Business Partnering | Statutory        | <b>Legal requirement</b> - The responses to the data matching are received in January 2023. This will be to allocate the matches to services, to facilitate user and to provide appropriate training. The testing will take place in 2023/24.           | R147          |     |
|  | National Fraud Initiative (NFI) | Single Person Discount (SPD)                                     | Business Partnering | Statutory        | <b>Legal requirement</b> - This is to facilitate the annual process for the submission of data and review of Single Person Discount discounts on Council Tax.   | R148          |     |

|  |                        |  |                         |      |   |  |  |
|--|------------------------|--|-------------------------|------|---|--|--|
|  | Proactive Fraud Review | Process review of the payment methods used by the Council to make payments | RBA - emphasis on fraud | High | To provide assurance to management that there are adequate arrangements in place within the processes for the different payment methods used by the Council to adequately mitigate the risk of fraud.                                   |  |  |
|  | Proactive Fraud Review | Housing Tenancy Fraud  | RBA - emphasis on fraud | High | To provide assurance to management that the processes for dealing with Housing Tenancy Fraud are appropriate and are operating effectively to prevent the risk of fraud.  |  |  |
|  | Proactive Fraud Review | Clean Air Zone - Charges/ Exemptions                                       | RBA - emphasis on fraud | High | To provide assurance to management that the processes for administering the charges for the clean air zone are adequate to mitigate the risk of fraud. This review will similarly examine the processes for giving exemptions.          |  |  |
|  | Proactive Fraud Review | To review the implications for the closure of the Council Cash Office.     | RBA - emphasis on fraud | High | The Council is closing the cash office as part of its savings reviews. This review will provide management with assurance that the resultant changes lead to best value, and also adequately control to help prevent the risk of fraud. |  |  |
|  | VFM - RBA              | To review the different payment methods used by the Council.               | VFM/ RBA                | High | The Council has a number of different methods to make payments. This review will provide assurance to management that the methods are used in the appropriate circumstances, and that they deliver the appropriate levels of VFM.       |  |  |

|  |                           |   |          |      |  |             |       |
|--|---------------------------|---|----------|------|--|-------------|-------|
|  | VFM - RBA                 | To review the Energy Management unit of the Council | VFM/ RBA | High | To provide assurance to management that the Energy Management Unit ensure the Council receives best value from its energy management provision and also it reports accurate and timely information to management for them to make appropriate decisions. |             |       |
|  | Resources-Housing Benefit | Housing benefit review                              | RBA      | High | To provide assurance to management that the arrangement for the management of the Housing Benefits system are being undertaken effectively.  | R133 & R135 | CR120 |

| Area                              | Audit Title   | Audit Type                             | IA Assessed Risk | Proposed assurance to be obtained  | Portfolio RMP | CRR |
|-----------------------------------|---|--|------------------|--|---------------|-----|
| <b>Strategic Support Services</b> |   |  |                  |  |               |     |
| Cross Directorate                 | Business Partnering   | Business Partnering                    | High             | Allocation to be called upon by management on an ad-hoc basis.   |               |     |
| Cross Directorate                 | Financial Design Assurance Group (FDAG)                             | Business Partnering                    | High             | To provide support to management in the development of systems and allied control frameworks to ensure that they comply with financial standards and best practice.  |               |     |
| Cross Directorate                 | Grants - Contingency allocation                                     | Grant certification / account sign off | Statutory        | Provision for any unknown grants that require auditing. May be due to change in requirements of grant funder or no notification from service for new grants.   |               |     |
| Cross Directorate                 | Financial Standards and Policies Group                              | Business Partnering                    | High             | To provide support to management in the development of Financial policies and Standards systems to ensure that they comply with best practice.   |               |     |
| Cross Directorate                 | Development of key performance indicators (KPI's) and best practice | Business Partnering                    | High             | In conjunction with other Core Cities to develop KPIs and Best Practice to drive through the development of the Internal Audit Service.  |               |     |
| Legal Services                    | Corporate Assurance/ Annual Governance Statement (AGS) processes    | RBA                                    | High             | To provide assurance to management that the processes for Directors assurance reporting which ultimately culminates in the AGS is operating effectively. This will ensure that the process includes input from all key stakeholders. | R146          |     |
| Legal Services                    | To sign off the accounts of the Lord Mayors Charity                 | Grant certification / account sign off | Statutory        | To sign of the accounts of the Lords Mayors Charity in line with the charity commission regulations.   |               |     |

|  |  |                     |      |  |      |  |
|--|--|---------------------|------|--|------|--|
| Legal Services   | Governance review  | Business Partnering | High | To include the self assessment check presented to the Audit and Standards Committee.   |      |  |
| Legal Services   | General Data Protection (GDPR) - Compliance in contracts           | RBA                 | High | To provide assurance to management that the contracting arrangements of the Council in relation to third parties use of data is operated in accordance with the requirements of the GDPR.        | 352  |  |
| Legal Services/<br>Finance and<br>Commercial<br>Services | Data Security and Protection (DSP) Toolkit                         | RBA                 | High | To provide assurance to management, that the Council is compliant with the DSP toolkit requirements.   | R290 |  |
| Finance and<br>Commercial<br>Services                    | Payment Card Industry (PCI) Monitoring arrangements                | Business Partnering | High | To provide assurance to management that the ongoing monitoring arrangements for PCI compliance are operating effectively.  |      |  |
| Finance and<br>Commercial<br>Services                    | Spending and budgeting controls in repairs and maintenance service | RBA                 | High | To review the process in place for the management of the financial processes in repairs and maintenance are adequate and to provide assurance to management that they are operating effectively. |      |  |
| Finance and<br>Commercial<br>Services                    | Budget Monitoring and Reporting                                    | RBA                 | High | To provide assurance to management that the processes in place for monthly budgeting arrangements are consistent and operating effectively.  |      |  |
| Human Resources  | Recruitment processes  | RBA                 | High | To provide assurance to management that the processes in place for the recruitment of new staff are adequate and are operating effectively.  |      |  |

|                 |   |                     |      |   |  |  |
|-----------------|---|---------------------|------|---|--|--|
| Human Resources | Personnel Development Reviews (PDR's)                         | RBA                 | High | To provide assurance to management that the processes in place for the production, coordination and monitoring of PDR's will support the desired objectives of the Council. |  |  |
| Human Resources | Human Resource policy development                             | Business Partnering | High | To support the HR service by providing input and challenge to their ongoing development and review of HR policies.  |  |  |
| BCIS            | Performance Management and reporting of Third Party suppliers | RBA                 | High | To provide assurance to management that the performance of third party suppliers is being managed and reported effectively.   |  |  |
| BCIS            | Capita 1  | Application review  | High | To provide assurance to management on the controls in place for Capita 1 Application.   |  |  |
| BCIS            | Housing system - Data Transfer                                | RBA                 | High | To review the processes for the transfer of data from the current to the new housing system to ensure compliance with GDPR and to ensure accuracy.                          |  |  |
| BCIS            | Housing System - Access Security arrangements                 | RBA                 | High | To review the security access arrangement for the new housing system to ensure that it is controlled and allows for workflow in line with GDPR.                             |  |  |
| BCIS            | New Housing Management system                                 | Business Partnering | High | To maintain contact and provide support and advice for the implementation of the new housing system.  |  |  |
| BCIS            | Physical Asset management (including leavers)                 | RBA                 | High | To provide assurance to management, that the physical IT assets of the Council (Inc. Laptops) are adequately controlled and recovered from leavers in a timely manner.      |  |  |



|  |   |                     |      |  |  |  |
|--|---|---------------------|------|--|--|--|
| BCIS                                   | Monitoring of activity and reporting on key systems | Business Partnering | High | To engage with relevant services to review the systems for monitoring across and activity on key systems and to develop consistency in approach.   |  |  |
| Policy, Performance and Communications | Performance Management reporting                    | RBA                 | High | To provide assurance to management that the processes for obtaining and reporting on performance is effective.   |  |  |
| Policy, Performance and Communications | Service Planning                                    | RBA                 | High | To provide assurance to management that there is an adequate process in place to ensure that all service have adequate service plans in place and that there is a golden thread that links these through the organisation. |  |  |
|  | Economic Recovery Fund (ERF) Grant                  | RBA                 | High | To provide assurance to management, that there are adequate controls in place for the allocation and monitoring of the Economic Recovery Funding.  |  |  |
|  | Project management                                  | RBA                 | High | To provide assurance to management, that the overall controls in place for the management of projects within the Council are adequate and are operating effectively.   |  |  |

| Area                          | Audit Title     | Audit Type | IA Assessed Risk | Proposed Assurance to be obtained   | CRR | PRR |
|-------------------------------|-----------------|------------|------------------|---|-----|-----|
| <b>Main Financial Systems</b> |                 |            |                  |   |     |     |
|                               | Debtors         | Compliance | High             | The system in place for managing and controlling debtors is working effectively and efficiently. Provides assurance to External Audit.        |     |     |
|                               | Creditors (P2P) | Compliance | High             | The system in place for managing and controlling creditors is working effectively and efficiently. Provides assurance to External Audit.      |     |     |
|                               | Payroll         | Compliance | High             | The system in place for managing and controlling payroll is working effectively and efficiently. Provides assurance to External Audit.        |     |     |
|                               | Council Tax     | Compliance | High             | The system in place for managing and controlling council tax is working effectively and efficiently. Provides assurance to External Audit.    |     |     |
|                               | Business Rates  | Follow up  | High             | The system in place for managing and controlling Business Rates is working effectively and efficiently. Provides assurance to External Audit. |     |     |

**First Call List**

| Area | Audit Title | Audit Type | IA Assessed Risk | Proposed assurance to be obtained | Reason for inclusion on First Call |
|------|-------------|------------|------------------|-----------------------------------|------------------------------------|
|------|-------------|------------|------------------|-----------------------------------|------------------------------------|

**City Futures**

|   |                      |     |        |   |  |
|---|----------------------|-----|--------|---|--|
| Regeneration and Delivery               | Regeneration Service | RBA | Medium | A Regeneration Service 'healthcheck' review to ensure controls are working effectively.   | Regeneration Board review to take place - will provide some initial assurance. |
| Investment, Climate Change and Planning | Planning Service     | RBA | Medium | A Planning Service 'healthcheck' review to ensure controls are working effectively e.g. billing, financial management, customer interface and benchmarking. | Medium Assessed risk.  |

**Strategic Support Services**

|                                 |  |                     |        |   |   |
|---------------------------------|--|---------------------|--------|---|---|
| Legal Service                   | New Committee Structure Review process | Business Partnering | Medium | To provide assurance to management that the new Committee structure arrangements are operating effectively.   | Work already undertaken at a corporate level                    |
| Finance and Commercial Services | Contract Waivers                       | RBA                 | High   | To provide assurance to management, that the processes for determining contract waivers is operating effectively.   | There has been work done in this area.                          |
| Finance and Commercial Services | Capital Programme                      | RBA                 | High   | To provide assurance to management, that the capital programme arrangement for the Council are being operated effectively.  | The arrangements are transferring and will need time to bed in. |
| Finance and Commercial Services | Grants Governance process              | RBA                 | High   | A review of the governance process in place for the approval, usage and sign off of grants. Grant funding has become more common in recent years and this audit will provide assurance as to the robustness of the process. | Work done in this area previously.                              |

|   |                          |     |        |  |  |
|---|--------------------------|-----|--------|--|--|
| Finance and Commercial Services         | Insurance Service Review | RBA | Medium | To provide assurance to management, that the Councils insurance arrangement are adequate and are operating in an efficient and effective manner. | Work is underway in this area by the Insurance Companies.              |
| Policy, Performance and Communications. | Communications strategy  | RBA | Medium | To provide assurance to management that the communications strategy is operating effectively.  | This is a new service arrangement and has only been classed as medium. |



## Audit and Standards Committee Report

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**Report of:** Tony Kirkham, Interim Director of Finance and  
Commercial Services

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**Date:** 22<sup>nd</sup> June 2023

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**Subject:** Compliance with International Standards on Auditing

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

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### Summary:

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

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

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### Recommendations:

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

### Background Papers:

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**Category of Report:** Open

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\* Delete as appropriate

## Statutory and Council Policy Checklist

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

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

**April 2023**

**Introduction**

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

**Key Requirements of the International Auditing Standards**

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

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

### **Areas Covered in the Report**

- 9) The following sections summarise how members of the Audit and Standards Committee have been provided with assurance that key elements of the Council's internal control systems are being reviewed and reported upon. This is a consolidation report of items that have been presented to the Audit and Standards Committee throughout 2022/23, and covers the: -
- Annual Accounts (2021/22)
  - System of Internal Control
  - Governance Arrangements (and compliance with laws and regulations)
  - Counter Fraud Arrangements
  - Risk Management
  - Standards Issues
- 10) The Audit and Standards Committee comprises of 7 non-executive members of the Council with proportionality applied and a non-voting co-opted member.
- 11) There are currently two Standards Committee Independent members and they attend the meetings of the Committee when there is a Standards focus.
- 12) The Audit and Standards Committee members have taken a number of steps to help them undertake their roles and responsibilities. This has included taking independent advice and training. Officers of the Council and External Audit also attend the Committee to present reports and to answer questions raised.

### **Annual Accounts**

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



14) The following items give the Audit and Standards Committee confidence that it has adequate assurance over the accuracy of the Annual Accounts:

- Report from officer discussing the unaudited Statement of Accounts 21/22 – (July 22)
- Role of the Audit and Standards Committee and Training plan – (July 22)
- EY Audit Plan 21/22 – (Sept 22)
- Formal response from officers to Audit ISA 260 recommendations – (Sept 22)
- EY update on progress on the 21/22 Accounts – (Feb 23)
- EY 21/22 Report of those charged with governance (ISA 260) – (March 23)
- 21/22 Statement of Accounts Audited – (March 23)
- Training for ASC members including understanding the Council's financial reporting requirements (Aug 22), introduction to the knowledge and skills of the Audit Committee (Sept 22), reviewing the financial statement effectively (Dec 22) and Better Governance Forum (Jan 23).

### **System of Internal Control**

15) The following items give the Audit and Standards Committee confidence that it has adequate assurance over the Systems of Internal Control:

- Bi-annual update reports on the implementation of audit recommendations (contained within the no assurance and limited assurance opinion reports) – (June 22 and Jan 23)
- New Housing System and Project and update – (June 22 and Feb 23)
- Internal Audit Plan 22/23 – (June 22)
- Senior Finance Manager (Internal Audit) Annual Report – (Sept 22)
- Information Management Annual Report – (Jan 23)

16) There is an explicit requirement on officers and members to comply with the Council's Code of Conduct and supporting rules and regulations. As part of the sign-off process for the Annual Governance Statement (AGS), Directors are required to confirm in writing that they have in place adequate systems to ensure compliance with the relevant rules and legislation relating to their area of activity; this is used as a basis for the production of the statement. They also confirm that they are managing the risks pertaining to their service.

17) All Internal Audit reports containing a no assurance, or limited assurance, high organisational impact opinion are submitted to Committee members in full. An auditable area receiving one of these opinions is considered by Internal Audit to be an area where the risk of the activity not achieving its objectives is high and sufficient controls were not present at the time of the review. Members can then forward any questions to the Senior Finance Manager, Internal Audit and responses are circulated to all. This process is used to ensure members are aware of any breaches of, or deficiencies in, internal control.

### **Governance Arrangements (and compliance with Laws and Regulations)**

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

### **Counter Fraud Arrangements**

- 23) The following items give the Audit and Standards Committee confidence that it has adequate assurance over the accuracy of the Counter Fraud Arrangements:
- Internal Audit Plan 22/23 included the counter fraud resource – (June 22)

- Report of reactive and pro-active fraud activity undertaken by Internal Audit in 21/22 – (July 22)
  - Whistleblowing Policy review – (March 23)
- 24) The primary responsibility for the prevention and detection of fraud rests with both SCC management and those charged with governance. It is important that management place a strong emphasis on fraud prevention, which may reduce the opportunities for fraud to take place; and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- 25) The Council's Anti-fraud and Corruption Policy Statement and Framework, clearly states that the Council has a zero tolerance to fraud, and that it expects its employees to uphold the highest ethical standards and to strictly adhere to its anti-fraud framework and associated policies.
- 26) As part of the Officers' Code of Conduct, the Policy Statement - Fraud and Corruption incorporates a message from the Chief Executive which clearly states the 'zero tolerance' approach of the authority. It incorporates the fact that any instances of fraud or corruption will be treated as gross misconduct.
- 27) Any individual incidents of a material scale will continue to be reported to the Audit and Standards Committee by Internal Audit, and the Audit and Standards Committee can call in officers to respond to the issues raised. Internal Audit has detected no material frauds during the year (to date).
- 28) The Council participates fully with the National Fraud Initiative (NFI) exercise, and no significant frauds were identified during the last exercise. Work on the current exercise is ongoing.
- 29) SCC has an extensive Whistleblowing Policy that contains an explanation on whistleblowing arrangements and the reporting access routes including the details of designated contact officers. The Human Resources Service maintains a central register of allegations. Whistleblowing allegations are all reviewed and where appropriate fully investigated by someone independent of the area.

### **Risk Management**

- 30) The Council has a risk management framework in place. The Corporate Risk Manager attended the Audit and Standards Committee in June 2022 and January 2023 to present to members a report on the current risk management reporting arrangements within the Council. The report included the risk trend analysis as well as the current and emerging risks to delivery of the Council's strategic objectives and the controls in place to manage those risks. Audit and Standards Committee members were given the opportunity to question any issues raised.

- 31) To help embed robust risk management reports to members should include the key risks that relate to the subject area, and these should be scrutinised. There is also a process in place to record and manage the risks in relation to programmes and projects as part of the progress reports submitted to members.

### **Standards Issues**

- 32) The following items give the Audit and Standards Committee confidence that it has adequate assurance over the Standards issues:
- Government response to the Committee on Standards in the Public Life – (June 22)
  - Interim Standards Complaints report – (Sept 22)
  - Annual Corporate Complaints report – (Nov 22)
  - Annual Ombudsman Report – (Nov 22)
  - Report of the review of the Members Code of Conduct and Complaints Procedure – (Feb 23)
  - Findings of the recommendations of the Annual Complaints and Ombudsman Report – (Feb 23)
  - Annual Standards Report – (Feb 23)

### **Requested actions**

- 33) Members are asked to confirm that this report gives an accurate reflection of the items they have received and considered throughout the year.
- 34) Members are also asked to confirm they have an appropriate overview of the Council's systems of internal control so that they are assured that they are fulfilling the requirements of "Those Charged with Governance" under International Auditing Standards.



## Audit and Standards Committee Report

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**Report of:** Linda Hunter, Senior Finance Manager, Finance and Commercial Services

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**Date:** 22<sup>nd</sup> June 2023

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**Subject:** Internal Audit Tracker Report on Progress with Recommendation Implementation

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

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**Summary:**

This report has been drafted so that the Audit and Standards Committee can track progress made against recommendations in audit reports that have been given a no assurance opinion, or a limited assurance with high organisational impact opinion.

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**Recommendation:**

Members are asked to note the content of the report.  
Agree the removal of Direct Payments and Adult Safeguarding.

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**Background Papers:**

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**Category of Report:** Open

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\* Delete as appropriate

## Statutory and Council Policy Checklist

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

**REPORT TO SHEFFIELD CITY COUNCIL AUDIT AND STANDARDS  
COMMITTEE  
June 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**

2. 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 Directorate 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.
4. This report also details reviews that Internal Audit proposes to remove from future update reports because all agreed recommendations have now been implemented. The Audit and Standards Committee is asked to support their removal.

**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.

**RECOMMENDATIONS**

1. That the Audit and Standards Committee notes the content of the report.
2. That the Audit and Standards Committee agrees to the removal of the following report from the tracker:
  - Direct Payments
  - Adult Safeguarding

## **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.

Four reviews were added to the Recommendation Tracker report in December 22. These were not followed-up for the last report (January 2023) due to the originally agreed implementation dates. For three of these reports the implementation dates have now 'passed' and are included in this report.

These reports are:

- Heritage Park Community School
- Holgate Meadows Community School
- Freedom of Information (FOI)/ Subject Access Requests (SAR) Recovery Plan

### **New reports added to this Tracker**

For this period, no new reports have been added.

### **Recommendation implementation**

In total, updates have been provided on 45 out of 45 recommendations that are due for implementation. Of these, 23 (51%) have been implemented and 22 (49%) are ongoing, indicating work has been started but not yet fully completed.

### **Items to note**

There is 1 critical recommendation contained within this report. It relates to the FOI/SAR Recovery Plan audit. This recommendation has now been actioned and related to the need to quickly identify and deploy resources to help address the backlog and closely monitor progress.

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 13<sup>th</sup> June 2023.



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. The Board discussed the assurance process, their role and what help and support they can offer. The ultimate aim is to progress in a timely manner and move the 'red' rated recommendations to 'green'. Having the ability to get to the route cause is key and identifying why are recommendations being delayed with the required action.

They acknowledge the increased risks if audit recommendations are not progressed promptly and asked all Directorates to assess what process they have in place to track and deliver the implementation of audit recommendations on a timely manner. This will be communicated throughout the Directorates via the Board. This will be included on the forward plan, for an update on how Directorates are moving 'red' rated audit recommendations to 'green'.

The Performance and Delivery Board discussed the outstanding 'red' recommendations and confirmed that the recommendation lead (ICT Service Delivery Manager) for these areas has already attended previous Performance and Delivery Board meetings and will be added to the forward planner to attend again and provided support. The meeting will provide an opportunity for the recommendation lead 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 recommendations and challenge where necessary. This process is also going to be extended to selected 'amber' rated recommendations.

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 JUNE 2023**

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

| Audit Title                       | Total    |           |           |          | Complete |           |          |          | Ongoing  |           |          |          |
|-----------------------------------|----------|-----------|-----------|----------|----------|-----------|----------|----------|----------|-----------|----------|----------|
|                                   | Critical | High      | Medium    | Ec/eff   | Critical | High      | Medium   | Ec/eff   | Critical | High      | Medium   | Ec/eff   |
| Heritage Park Community School    |          | 3         | 9         | 2        |          | 3         | 6        | 1        |          |           | 3        | 1        |
| Holgate Meadows Community School  |          | 4         | 6         | 1        |          | 2         | 2        | 1        |          | 2         | 4        |          |
| FOI/SAR Recovery Plan             | 1        | 5         | 1         |          | 1        | 1         |          |          |          | 4         | 1        |          |
| Creditors – Non-standard payments |          | 4         |           | 1        |          | 3         |          |          |          | 1         |          | 1        |
| Disposal of IT assets             |          | 3         |           |          |          |           |          |          |          | 3         |          |          |
| Adult Safeguarding                |          | 2         |           |          |          | 2         |          |          |          |           |          |          |
| Software Licensing                |          | 1         |           |          |          |           |          |          |          | 1         |          |          |
| Hardware Asset Management         |          | 1         |           |          |          |           |          |          |          | 1         |          |          |
| Direct Payments                   |          | 1         |           |          |          | 1         |          |          |          |           |          |          |
| <b>Total</b>                      | <b>1</b> | <b>24</b> | <b>16</b> | <b>4</b> | <b>1</b> | <b>12</b> | <b>8</b> | <b>2</b> | <b>0</b> | <b>12</b> | <b>8</b> | <b>2</b> |

Shaded items to be removed from the tracker

66

**1. Montgomery Residential Home (Children Services) (issued to Audit and Standards Committee 29.7.22)**

|   |
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| <b>As at December 2022</b>  |
| <b>Internal Audit:</b> This report was issued to management on the 13.7.22. This report will be followed up and included in the next tracker.   |
| <b>As at June 2023</b>  |
| <b>Internal Audit:</b> The final audit recommendation implementation date is 13.7.23, therefore this report will be followed up and included in the next tracker. The Head of Service – Children’s Residential has only been in post since November 2022 and was not made aware of the audit report and recommendations contained within the report. There was very little handover from the previous post holder, who agreed to the original audit recommendations. 2 new Service Managers are now in post and the service is now looking at the audit report and recommendations and working through the actions. Internal Audit and the Head of Service have agreed to meet 5.7.23 to discuss progress with implementing the audit recommendations. Now the Head of Service is aware of the audit recommendations she is committed to ensuring they are now promptly actioned. |

**2. Heritage Park Community School (Children Services) (issued to Audit and Standards Committee 8.9.22)**

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| <b>As at December 2022</b>  |
| <b>Internal Audit:</b> This report was issued to management on the 14.7.22. This report will be followed up and included in the next tracker. |
| <b>As at June 2023</b>  |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.  |

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| Ref | Recommendation  | Priority      | Original Responsible Officer                   | Original Implementation Date | Updated position provided by Gill Matthews – Business Manager May 2023  |
|-----|---|---------------|--|------------------------------|---|
| 1.1 | It is recommended that the quality and frequency of financial reporting to the Interim Executive Board (IEB) be improved. And that the IEB dedicates more time to considering this financial information.                                 | <b>High</b>   | Kevin Corke - Chair of Interim Executive Board | October 2022                 | <b>Actioned</b><br>New reports are in place with quarterly finance focused IEB meetings which include the Business Manager, external Finance support and Head.  |
| 1.2 | It is recommended future school improvement plans include at least the current and two year forward projections for pupil attainment, curriculum focus, workforce development, and anticipated/indicative budget and financial positions. | <b>Medium</b> | Mark Fairbrother – School Principal            | December 2022                | <b>Actioned</b><br>The school improvement plan has and will in future factor in a key curriculum focus centred around Ofsted Areas for Improvement (AFIs). A deficit reduction plan has been completed re the |

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|     |  |                                      |   |   | school's staffing structure and the school, continues to address staffing costs.   |
| 1.3 | It is recommended the governing body establishes a standing agenda item to receive, discuss, and approve termly updates to the spending plan.  | <b>Medium</b>                        | Kevin Corke -<br>Chair of Interim<br>Executive Board<br><br>Mark Fairbrother<br>– School<br>Principal | Timescale TBC<br>dependent on<br>Ofsted results.                                    | <b>Actioned</b><br><br>This is already in place.   |
| 1.4 | The governing body should establish a register of business interests of governors, the school principal and any other staff who influence financial decisions. This should be open to examination by governors, staff, parents and LEA.  | <b>Efficiency/<br/>Effectiveness</b> | Mark Fairbrother<br>– School<br>Principal   | September 2022  | <b>Actioned</b><br><br>Interests are recorded on Governor Hub and is updated annually.   |
| 1.5 | It is recommended all governors and employees involved with the school complete or update pecuniary interest forms at least annually.<br><br>The school should retain copies for all staff who work in the school and forms should not be shared between schools (Holgate Meadows and Heritage Park).  | <b>Medium</b>                        | Mark Fairbrother<br>– School<br>Principal   | September 2022  | <b>Actioned</b><br><br>School holds all copies for staff and IEB store copies for IEB Members.   |
| 1.6 | The school should ensure that a regular stock check is taken. This would then allow for the school to hold a regular and up to date document of what the school has for insurance purposes, for the continued function of the school, and to ear mark what might need to be improved.<br><br>Secondly, it is important that this is reported on and confirmed by the governing body at a meeting annually. Usually before the start of a new school term. To ensure that they are aware of the position of the school with regard to equipment and what assets the school holds. | <b>Medium</b>                        | Mark Fairbrother<br>– School<br>Principal   | December 2022<br><br><b>Revised<br/>Implementation<br/>Timescale: Sept<br/>2023</b> | <b>Action ongoing</b><br><br>The school has bought into an asset register service and this will be implemented in the May Half term.<br><br>Once set up the reports will go to the IEB to be checked annually. |

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| 2.1 | It is recommended the school develop a detailed deficit reduction plan which is presented to and challenged by the governing body on a regular basis.  | <b>Medium</b>                        | Kevin Corke -<br>Chair of Interim<br>Executive Board<br><br>Mark Fairbrother<br>– School<br>Principal | Timescale TBC<br>dependent on<br>Ofsted results.<br><br><b>Revised<br/>Implementation<br/>Timescale:</b> July<br>2023 | <b>Action ongoing</b><br><br>This is in the process of being completed.  |
| 2.2 | It is recommended that as part of the annual budget setting process the school's leadership team engage in preliminary discussions of what the priorities of the school are so that budgets can be agreed in line with this.   | <b>High</b>                          | Kevin Corke -<br>Chair of Interim<br>Executive Board<br><br>Mark Fairbrother<br>– School<br>Principal | Timescale TBC<br>dependent on<br>Ofsted results.  | <b>Actioned</b><br><br>This process was followed for the 2023/24 and will be completed annually.   |
| 2.3 | It is recommended that the school's spending plan is approved by the governing body on at least an annual basis.   | <b>Medium</b>                        | Kevin Corke -<br>Chair of Interim<br>Executive Board<br><br>Mark Fairbrother<br>– School<br>Principal | March/April 2023<br><br><b>Revised<br/>Implementation<br/>Timescale:</b> July<br>2023                                 | <b>Action ongoing</b><br><br>Current Spending Plans for 2023/24 are with the IEB pending approval.   |
| 2.7 | It is recommended the school principal considers which budget setting methodology would best fit the school and work with their governing body, administrative officers, and bursars to establish which principles will be used to set and monitor future budgets.     | <b>High</b>                          | Mark Fairbrother<br>– School<br>Principal   | Ongoing Basis   | <b>Actioned</b><br><br>The budget setting process has significantly improved. Senior Leadership Team and Senior Business Manager (SBM) were all involved in the process. |
| 2.8 | It is recommended that once a budget setting methodology is agreed this is formally documented so it can be followed in subsequent years. This will also enable adjustments to budget setting methods to be compared formally and presented to governors for approval. | <b>Efficiency/<br/>Effectiveness</b> | Mark Fairbrother<br>– School<br>Principal   | Ongoing Basis<br><br><b>Revised<br/>Implementation<br/>Timescale:</b> Sept<br>2023                                    | <b>Action ongoing</b><br><br>Needs to be worked on in conjunction with the SRMA, with Principal and IEB.   |
| 3.2 | It is recommended the school ensures all staff with involvement in financial or HR processes have received adequate training and can access support if needed to undertake these tasks.  | <b>Medium</b>                        | Mark Fairbrother<br>– School<br>Principal   | Ongoing Basis   | <b>Actioned</b><br><br>Training from various officers/areas and a Finance support helpline available.  |

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|-----|--|---------------|-------------------------------------|----------------|---|
| 3.4 | It is recommended the school ensures a copy of signed employee contracts and signed declaration of acceptance of the staff code of conduct is retained within all employee HR files. | <b>Medium</b> | Mark Fairbrother – School Principal | September 2022 | <b>Actioned</b><br>All staff have signed the code of conduct and a copy is retained by school.  |
| 4.1 | It is recommended the risk register and risk management processes are discussed at governing body meetings at least annually or whenever significant changes to risks takes place.   | <b>Medium</b> | Mark Fairbrother – School Principal | December 2022  | <b>Actioned</b><br>There is a timetable for risk management to be included in the governing body’s agenda through a focus on Health and Safety. |

**3. Holgate Meadows Community School (Children Services) (issued to Audit and Standards Committee 8.9.22)**

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| <b>As at December 2022</b>  |
| <b>Internal Audit:</b> This report was issued to management on the 14.7.22. This report will be followed up and included in the next tracker. |
| <b>As at June 2023</b>  |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.  |

| Ref | Recommendation   | Priority                         | Original Responsible Officer   | Original Implementation Date | Updated position provided by Gill Matthews – Business Manager (BSM) May 2023   |
|-----|--|----------------------------------|--|------------------------------|--|
| 1.1 | It is recommended that the quality and frequency of financial reporting to the IEB is improved. And that the IEB dedicates more time to considering this financial information.  | <b>High</b>                      | Kevin Corke, Chair of Governors  | 21/10/22                     | <b>Actioned</b><br>New reports are in place with quarterly finance focused IEB meetings which include the Business Manager, external Finance support and Head. |
| 1.4 | The governing body should establish a register of business interests of governors, the Principal and any other staff who influence financial decisions. This should be open to examination by governors, staff, parents and the LEA. | <b>Efficiency/ Effectiveness</b> | Kevin Corke, Chair of Governors<br><br>Claire Bailey, School Principal | 10/02/23                     | <b>Actioned</b><br>Interests are recorded on Governor Hub.   |

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|------|---|---------------|--|--|---|
| 1.5  | <p>It is recommended all governors and employees involved with the school complete or update pecuniary interest forms at least annually.</p> <p>The school should retain copies for all staff who work in the school and forms should not be shared between schools (Holgate Meadows and Heritage Park).</p>  | <b>Medium</b> | Claire Bailey,<br>School Principal   | 10/02/23   | <b>Actioned</b><br><br>Interests are recorded on Governor Hub and is updated annually.  |
| 2.8  | <p>It is recommended that the school begin developing a robust deficit reduction plan which should be agreed with the governing body.</p>   | <b>High</b>   | Claire Bailey,<br>School Principal   | 10/02/23<br><br><b>Revised Implementation Timescale:</b> Sept 2023 | <b>Action ongoing</b><br><br>Nexus (Multi Academy Trust) are already looking at this and have presented their budgets to the IEB.                                 |
| 2.10 | <p>It is recommended the school ensures different budget setting methodologies are assessed and the one which allows the school to best meet the needs of the pupils and the strategic vision of the governors is selected for future budget setting exercises.</p> <p>Once agreed, the principles for setting and updating the budget should be recorded and reviewed on an appropriate basis to ensure the budget setting processes are always appropriate.</p> | <b>Medium</b> | Claire Bailey,<br>School Principal   | 10/02/23<br><br><b>Revised Implementation Timescale:</b> Sept 2023 | <b>Action ongoing</b><br><br>The budget setting process has significantly improved and due to the school joining Nexus there will be a process completed by them. |
| 2.11 | <p>It is recommended that once agreed, the deficit reduction plan should be reported to and discussed by the governors on a regular basis to ensure it remains focused on achieving a balanced financial position in coherence with the strategic goals set by the governing body.</p>  | <b>Medium</b> | Claire Bailey,<br>School Principal   | 10/02/23<br><br><b>Revised Implementation Timescale:</b> July 2023 | <b>Action ongoing</b><br><br>Waiting for the IEB to advise on reductions to be costed in budget.  |
| 2.12 | <p>In future the spending plan must be reviewed, discussed, and confirmed by the full governing body in a full meeting to ensure accountability and that all members are aware of the financial position and approach going forward.</p>  | <b>High</b>   | Kevin Corke,<br>Chair of Governors<br>Claire Bailey,<br>School Principal<br>Gill Matthews,<br>Business Manager | 10/02/23<br><br><b>Revised Implementation Timescale:</b> June 2023 | <b>Action ongoing</b><br><br>Budgets to be approved at the next meetings.   |

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| 2.13 | <p>In future any changes in the spending plan should be discussed with the full governing body to ensure that they are made aware of the financial position of the school.</p> <p>This also should be presented to them either by the business manager or the bursar themselves. As they will be best placed to answer any specific questions.</p>   | <b>High</b>   | <p>Kevin Corke,<br/>Chair of<br/>Governors</p> <p>Claire Bailey,<br/>School Principal</p> <p>Gill Matthews,<br/>Business<br/>Manager</p> | 10/02/23  | <p><b>Actioned</b></p> <p>Reports from BSM highlight changes to spending plan, rationale and mitigations taken.</p>  |
| 3.1  | <p>It is recommended all adjustments to payroll input forms are authorised / certified by the relevant budget holder, currently the principal.</p> <p>It is recommended the school ensures a copy of signed employee contracts and signed declaration of acceptance of the staff code of conduct is retained within all employee HR files.</p>   | <b>Medium</b> | Claire Bailey,<br>School Principal   | 10/02/23  | <p><b>Actioned</b></p> <p>All adjustments to payroll are authorised and approved.</p> <p>All staff have signed the code of conduct and a copy is retained by school.</p> |
| 5.3  | <p>While the school does have an excellent set of policies for COVID, snow days and other such disruptions, unifying them into one policy document to allow for other reasons behind the school having to close would help the policy become all-encompassing. And would also help create a standardised plan for staff to follow in the event of a critical incident. Looking at the policies already in place, it is all that would need to be actioned is a combining of the policies related to snow and to COVID and adding more generalised plans of action for staff to follow.</p> | <b>Medium</b> | Claire Bailey,<br>School Principal   | <p>10/02/23</p> <p><b>Revised Implementation Timescale: Sept 2023</b></p> | <p><b>Action ongoing</b></p> <p>This will be updated and reviewed by the IEB in September.</p>   |
| 5.4  | <p>Upon the creation of a single critical incident plan the governing body must review this at least once a year to ensure it is as up to date with the current circumstances at the school as possible.</p> <p>This document should then be circulated amongst the staff to ensure they are also aware of procedure in the event of a critical incident.</p>  | <b>Medium</b> | Claire Bailey,<br>School Principal   | <p>10/02/23</p> <p><b>Revised Implementation Timescale: July 2023</b></p> | <p><b>Action ongoing</b></p> <p>School will be joining Nexus and will adopt their plan.</p>  |



**4. Freedom of Information /Subject Access Requests Recovery Plans (Strategic Support Services) (issued to Audit and Standards Committee 8.12.22)**

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| <b>As at December 2022</b>   |
| <b>Internal Audit:</b> This report was issued to management. This report will be followed up and included in the next tracker. |
| <b>As at June 2023</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.                                       |

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| Ref | Recommendation  | Priority        | Original Responsible Officer | Original Implementation Date | Updated position provided by Sarah Green – Senior Information Management Officer May 2023   |
|-----|---|-----------------|------------------------------|------------------------------|---|
| 1.1 | <p>Although there is a recovery plan in place, there is a need to address the backlog position (for subject access requests) as quickly as possible. This can only be achieved by deploying extra resources (at least on a temporary basis) to bring the Council back to an acceptable baseline position. Resources should be quickly identified and deployed (and relevant training put in place) to address the backlog and progress should be closely monitored. Further issues arising should be escalated as appropriate.</p> <p>FOI requests should also continue to be monitored (as they are at present) for the anticipated improvements. Any further issues should be escalated as appropriate.</p> | <b>Critical</b> | Sarah Green/David Hollis     | July 2023                    | <p><b>Actioned</b></p> <p>FOI: Temporary resource has been deployed to support with the backlog.</p> <p>SARs: An external organisation has been contracted to support with the backlog of SARs and they are currently working through bundles of children’s records. SAR’s action plan is monitored with some actions ongoing, for example, due to issues when we were moved to the new ticketing system in January and that the new operating model plans will commence in June 23.</p> <p>Both are being closely monitored.</p> |
| 1.2 | <p>Following response from the Information Commissioners Office (ICO), the timescales for delivering the actions set out in the recovery plan should be closely monitored. Any issues arising impacting on the delivery of the actions should be escalated as appropriate.</p>  | <b>High</b>     | Sarah Green/David Hollis     | Ongoing                      | <p><b>Actioned</b></p> <p>The initial issues with recruitment and securing an external company have been rectified and the backlog is being actively worked on and monitored.</p>   |

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|-----|--|---------------|--------------------------------|--|---|
| 2.2 | <p>Management should now review the outstanding open internal reviews, identifying how long the cases have been open and the progress that been made on these.</p> <p>If necessary, an action plan should be prepared detailing how the internal reviews will be undertaken as soon as possible, prior to the new process being implemented in June 2022.</p> <p>The updated performance reports as detailed above should include information on internal reviews and the numbers breaching the 20 day rule. Explanations for delays in all SAR processes should be included as part of all performance reports and should also detail the potential areas where improvements can be made going forward.</p> | <b>High</b>   | Sarah Green                    | <p>1/08/22</p> <p><b>Revised Implementation Timescale:</b><br/>Sept 2023</p>   | <p><b>Action ongoing</b></p> <p>FOI – Internal Reviews are being worked on by a dedicated resource from an Agency supplier. However, due to the number of these, it is unlikely that the backlog will be cleared by June 23.</p> <p>SAR – Internal Reviews continue to be worked on by the Information Management Officer, on a part time basis.</p> <p>The performance reporting has been on hold due to issues with the new case management system. The Data Protection Officer is currently reviewing other systems with organisations to find one that can handle the complexities of information requests.</p> |
| 3.2 | <p>Once the current backlog of SAR is addressed, the workloads for staff working on redacting sensitive information should be reviewed in consultation with the individuals themselves. Wherever possible, staff should be given the opportunity to have some opportunity for diversity within their workloads if they feel that they would benefit from this. This should be fed into the PDR process.</p> <p>It is also important that staff moral and mental health issues such as stress are covered in regular one to ones.</p>   | <b>Medium</b> | Sarah Green/Abbie Ezzard-Wilde | <p>Ongoing – Contracts to support the clearing of the backlog should be in place by March 2023</p> <p><b>Revised Implementation Timescale:</b><br/>Sept 2023</p> | <p><b>Action ongoing</b></p> <p>Backlog continuing to be cleared. Diversity will be part of the new operating model.</p>  |
| 4.1 | <p>It is recommended that Corporate communications (or communications targeted at specific Portfolios/Service areas), are now undertaken. These communications should detail where the Council is now in terms of SAR and the support that Services can provide in helping to reduce the backlog; for example, responding to requests for information as soon as possible, making sure that all information is sent and that any documents</p>   | <b>High</b>   | Sarah Green/ David Hollis      | <p>End – December 2022</p> <p><b>Revised Implementation Timescale:</b><br/>Sept 2023</p>   | <p><b>Action ongoing</b></p> <p>SARs are handled by a small team and staff are supportive of information requests. There has been updates to their templates and processes to ensure each request is reviewed and clarified upon receipt.</p>   |

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|-----|---|-------------|-------------|--|---|
|     | /information sent is not duplicated etc. There should be a clear message sent out that it is a legal requirement to respond to a SAR within the legal timescales set down and that there is a significant backlog issue. Service support through the process will have an impact on the overall position and potential action from the ICO. |             |             |  | <p>However, work still needs to be done to ensure services understand when requests for information should be handled by them.</p> <p>FOI – there is still work to be done to encourage service areas to respond to requests for information in a timely manner. This is due to staff changes, reduced workforce and workloads which makes the organisation vulnerable, particularly when there are campaigns. The SharePoint site has recently been updated and this should support staff with responding to FOIs.</p> |
| 4.2 | As noted, work is already ongoing with Services to support them in providing levels of customer service that would reduce overall pressure on the SAR process. Work in this area and detailed on the recovery plan should be monitored going forward to ensure that it is in place as quickly as possible.                                  | <b>High</b> | Sarah Green | Ongoing this will improve over time.– Significantly implemented by July 2023 | <p><b>Action ongoing</b></p> <p>This is ongoing, as currently reducing the backlog is the focus.</p>  |
| 5.1 | Risks in this area should now remain under review. If appropriate, a separate risk should be raised for SAR/the recovery plan so that the issue is visible and escalated and the appropriate action can be taken.   | <b>High</b> | Sarah Green | Sept 2023  | <p><b>Action ongoing</b></p> <p>This will be added as a risk.</p>   |

**5. Disposal of IT assets (Strategic Support Services) (issued to Audit and Standards Committee 3.2.22)**

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| <b>As at June 2022</b>   |
| <b>Internal Audit:</b> This report was issued to management on the 17.12.21. This report will be followed up and included in the next tracker. |
| <b>As at December 2022</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |
| <b>As at June 2023</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |

| Ref | Recommendation   | Priority | Original Responsible Officer | Original Implementation Date  | Updated position provided by Jon Rayner ICT Service Delivery Manager May 2023   |
|-----|--|----------|------------------------------|---|---|
| 1.1 | <p>An asset disposal champion should be nominated (who has a suitable level of authority).</p> <p>A section should be added to the Council's IT Security Policy or a separate policy document 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.</p>  | High     | Mike Weston/Andy Pearson     | <p>April 2022</p> <p><b>Revised Implementation Timescale:</b> Late Summer/ Early Autumn</p> | <p><b>Action ongoing</b></p> <p>Director of ICT now in place and Phase 1 of the management structure has been completed. Working on phase 2, estimated launch end of June 2023.</p> |
| 2.1 | <p>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.</p> <p>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.</p> <p>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.</p> <p>All storage media should be fully traceable through the system.</p> | High     | Mike Weston/Andy Pearson     | <p>April 2022</p> <p><b>Revised Implementation Timescale:</b> Late Summer/ Early Autumn</p> | <p><b>Action ongoing</b></p> <p>Refer to point 1.1 above</p>  |

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| 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. | <b>High</b> | Andy Pearson | <b>Revised Implementation Timescale:</b> Late Summer/ Early Autumn | <b>Action ongoing</b><br><br>Process in place and understood.<br><br>Site visit to be arranged once appropriate resource in post. See point 1.1 above. |
|-----|--|-------------|--------------|--|--|

**6. Creditors Audit Review of Non-Standards Payments (Strategic Support Services) (issued to Audit and Standards Committee 10.2.22)**

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|---|
| <b>As at June 2022</b>  |
| <b>Internal Audit:</b> 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. |
| <b>As at December 2022</b>  |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.  |
| <b>As at June 2023</b>  |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.  |

Page 77

| Ref | Recommendation  | Priority    | Original Responsible Officer                                  | Original Implementation Date | Updated position provided by Stephen Bottomley – Senior Finance Manager and Sian Holmes Head of Procurement May 2023         |
|-----|---|-------------|---|------------------------------|--|
| 1.3 | A F&CS Policy or Framework should be developed and implemented covering the governance, standards, and controls for all Non-Standard Payments (NSP). This should be regularly reviewed. | <b>High</b> | Jane Wilby<br>Chair of Financial Design Assurance (FDA) Group | <b>March 2022</b>            | <b>Actioned</b><br><br>Policy in place and uploaded to Finance Point and included in the 23/24 Financial Regulations update. |

|     |   |                                      |  |   |   |
|-----|---|--------------------------------------|--|---|---|
| 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.   | <b>High</b>                          | Jane Wilby<br>Chair of<br>Financial Design<br>Assurance<br>Group | September 2022<br>Prioritising<br>recurring larger<br>value payment<br>types<br><br><b>Revised<br/>Implementation<br/>Timescale:</b><br>Sept 2023 | <b>Actioned ongoing</b><br><br>Renewal of approval forms is progressing, but we have to chase services which have yet to respond to the request – despite action to chase a response. We are continuing to chase.<br><br>Approval form included in Policy mentioned at 1.3 above.   |
| 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. | <b>High</b>                          | Siam<br>Holmes/Richard<br>Hallam                                 | September 2022  | <b>Actioned</b><br><br>Sections on number and value of commercial invoices being processed has been added to the business case template.<br>ControCC payment reporting has been subject to a Task and Finish project group. They have made substantial improvements in monitoring the payment of commercial invoices within Adult Social Care.  |
| 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.   | <b>High</b>                          | Sian Holmes  | June 2022   | <b>Actioned</b><br><br>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.<br>Section on transparency reporting has been added to the business case template.<br>Transparency reporting around Treasury payments has improved. All relevant Treasury payments, inclusive of Covid grants, dating back to April 2020, published in September 2022. |
| 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.   | <b>Efficiency/<br/>Effectiveness</b> | Sian Holmes/<br>Stephen<br>Bottomley                             | June 2022<br><br><b>Revised<br/>Implementation<br/>Timescale:</b><br>Sept 2023  | <b>Action ongoing</b><br><br>Full review of our statutory requirements under the transparency is underway and this requirement will be picked up as part of that review.  |

|  |  |  |  |   |
|--|--|--|--|---|
|  |  |  |  | <p>Some changes to Qtier transparency report have been made to make it easier to identify counterparty for NSPs.</p> <p>The potential for Qtier to automatically redact has been explored previously, but due to the way we use Integra, there isn't a flag or other way for us to correctly identify individuals and do the redaction programmatically.</p> <p>Re automation of filtering out data, this has been explored and would be possible to some degree. However, the current manual process is quick and straightforward, whereas some automation actually created more work overall.</p> <p>Finance have been asked if they could re-visit the filtering and this makes sense from a longer term perspective. A request has been made for this work to be prioritised.</p> |
|--|--|--|--|---|

**7. Adult Safeguarding (Adult, Wellbeing and Care Services) (issued to Audit and Standards Committee 4.10.21)**

|  |
|--|
| <b>As at December 2021</b>   |
| <b>Internal Audit:</b> 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. |
| <b>As at June 2022</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |
| <b>As at December 2022</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |
| <b>As at June 2023</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |

| Ref | Recommendation  | Priority | Original Responsible Officer | Original Implementation Date | Updated position provided by Janet Kerr and Jenna Tait on 25.04.23  |
|-----|---|----------|------------------------------|------------------------------|---|
| 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   | 1.04.22                      | <b>Actioned</b><br>Multi-agency Safeguarding Hub (MASH), is now operational and quarterly performance reports are provided. As part of the implementation of the new Adult Health and Social Care Operating model and MASH, systems and processes for identifying organisational abuse will be revised. This action was also covered in task 1c of the Safeguarding delivery plan - the joint health and social care assurance framework is produced as an output of the independent safeguarding partnership review. |
| 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   | 1.04.22                      | <b>Actioned</b><br>The mental health position has changed as we have brought the mental health social workers back in to the council so this issue should now be resolved. Any outstanding issues will be addressed through MASH implementation and referrals will no longer be passed to Sheffield Health and Social Care (SHSC) to triage. So, all referrals and adult experience will be measured internally by SCC, including those previously passed to SHSC.  |

**8. Direct Payments (Adult, Wellbeing and Care Services) (issued to Audit and Standards Committee 2.3.20)**

|   |
|---|
| <b>As at Sept 2020</b>  |
| <b>Internal Audit:</b> 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. |
| <b>As at April 2021</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.  |



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| <b>As at December 2021</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below. |
| <b>As at June 2022</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below. |
| <b>As at December 2022</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below. |
| <b>As at June 2023</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below. |

| Ref | Recommendation  | Priority    | Original Responsible Officer                           | Original Implementation Date | Updated position provided by Becky Towle – Assistant Director of Provider Services June 2023   |
|-----|---|-------------|--|------------------------------|--|
| 4.1 | <p>Internal Audit acknowledges that changes will have taken place since the audit fieldwork ended, in relation to transitions.</p> <p>Future work is to be conducted by Internal audit surrounding the Transitions process.</p> | <b>High</b> | Becky Towle<br>Assistant Director of Provider Services | 30.04.20                     | <p><b>Actioned</b></p> <p>The re-designed Preparation for Adulthood (PAT) team is now working with the new adults transitions team. We met in December 2022 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.</p> <p>A new achieving change is currently in progress and the PAT team and transitions team are merging and will move in its entirety to adult's social care.</p> |

**9. Software Licensing (Asset Management) (Strategic Support Services) (issued to Audit and Standards Committee 1.5.19)**

|  |
|--|
| <b>As at July 2019</b>   |
| <b>Internal Audit:</b> 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. |
| <b>As at Sept 2020</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |
| <b>As at April 2021</b>  |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |
| <b>As at December 2021</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |
| <b>As at June 2022</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |
| <b>As at December 2022</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |
| <b>As at June 2023</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.   |

| Ref | Recommendation   | Priority    | Original Responsible Officer   | Original Implementation Date  | Updated position provided by Jon Rayner – ICT Service Delivery Manager May 2023   |
|-----|--|-------------|--|---|---|
| 2.2 | <p>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.</p> <p>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.</p> <p>Management to seek assurance that periodic reviews will be undertaken to ensure compliance with the terms and conditions of licences.</p> <p>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.</p> | <b>High</b> | <p>Gary Sweet, ICT Client Service Delivery Officer</p> <p>Mike Weston, Assistant Director - ICT Service Delivery</p> | <p>01.04.20</p> <p><b>Revised Implementation Timescale:</b> Late Summer/ Early Autumn</p> | <p><b>Action ongoing</b></p> <p>Director of ICT now in place and Phase 1 of the management structure has been completed. Working on phase 2, estimated launch end of June 2023.</p> |

**10. Hardware Asset Management (Strategic Support Services) (issued to Audit and Standards Committee 1.5.19)**

|   |
|---|
| <b>As at July 2019</b>  |
| 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. |
| <b>As at Sept 2020</b>  |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.  |
| <b>As at April 2021</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.  |
| <b>As at December 2021</b>  |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.  |
| <b>As at June 2022</b>  |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below.  |
| <b>As at December 2022</b>  |

|  |
|--|
| <b>Internal Audit:</b> An update on progress with the recommendations is included below. |
| <b>As at June 2023</b>   |
| <b>Internal Audit:</b> An update on progress with the recommendations is included below. |

| Ref | Recommendation   | Priority    | Original Responsible Officer   | Original Implementation Date  | Updated position provided by Jon Rayner – ICT Service Delivery Manager May 2023   |
|-----|--|-------------|--|---|---|
| 2.4 | <p>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.</p> <p>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.</p> | <b>High</b> | <p>Gary Sweet, ICT Client Service Delivery Officer</p> <p>Mike Weston, Assistant Director - ICT Service Delivery</p> | <p>01.04.20</p> <p><b>Revised Implementation Timescale:</b> Late Summer/ Early Autumn</p> | <p><b>Action ongoing</b></p> <p>Director of ICT now in place and Phase 1 of the management structure has been completed. Working on phase 2, estimated launch end of June 2023.</p> |

**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.



## Audit and Standards Committee Report

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**Report of:** Tony Kirkham  
Director of Finance and Commercial Services,  
Local Authority Section 151 Officer

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**Date:** 22 June 2023

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**Subject:** 2022/23 Unaudited Statement of Accounts

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**Author of Report:** Jane Wilby

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**Summary:** The purpose of this report is to provide Members of the Audit and Standards Committee with a summary of the 2022/23 Unaudited Statement of Accounts and explain the core statements and a number of the key notes to the accounts.

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**Recommendations:** The Audit and Standards Committee is asked to note the core statements and the key notes to the Unaudited Statement of Accounts for 2022/23.

The Audit and Standards Committee is asked to note the potential delay to the external audit of the 2022/23 Statement of Accounts.

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**Background Papers:** None

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**Category of Report:** OPEN

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## Statutory and Council Policy Checklist

|   |
|---|
| <b>Financial Implications</b>   |
| NO  |
| <b>Legal Implications</b>   |
| NO  |
| <b>Equality of Opportunity Implications</b>                                     |
| NO  |
| <b>Tackling Health Inequalities Implications</b>                                |
| NO  |
| <b>Human Rights Implications</b>  |
| NO  |
| <b>Environmental and Sustainability implications</b>                            |
| NO  |
| <b>Economic Impact</b>  |
| NO  |
| <b>Community Safety Implications</b>  |
| NO  |
| <b>Human Resources Implications</b>   |
| NO  |
| <b>Property Implications</b>  |
| NO  |
| <b>Area(s) Affected</b>   |
| None  |
| <b>Relevant Scrutiny Committee if decision called in</b>                        |
| Not applicable  |
| <b>Is the item a matter which is reserved for approval by the City Council?</b> |
| NO  |
| <b>Press Release</b>  |
| NO  |

# REPORT TO SHEFFIELD CITY COUNCIL AUDIT AND STANDARDS COMMITTEE – 22 JUNE 2023

## STATEMENT OF ACCOUNTS 2022/23

### Purpose of the Report

1. The purpose of this report is to provide Members of the Audit and Standards Committee with a summary of the 2022/23 Statement of Accounts and explain the core statements and a number of the key notes to the accounts. A full set of the unaudited accounts is now available on the Council's website via the following link: [Statement of Accounts 2022/23](#). A full set of the final audited accounts will be presented to the Audit and Standards Committee once Ernst & Young finalise their audit.
2. This report also outlines the approval process for the Statement of Accounts and the Audit and Standards Committee's role in this process.

### Introduction

3. The Statement of Accounts has been prepared in accordance with the IFRS (International Financial Reporting Standards) based Code of Practice on Local Authority Accounting in the United Kingdom and the statutory Accounts and Audit Regulations. This ensures that local authorities produce their Accounts in a standard way, which facilitates comparisons.
4. The Accounts and Audit Regulations 2015 sets out the procedures for certification, approval and publication of the Statement of Accounts. However, due to issues within the external audit market the Accounts and Audit (Amendment) Regulations 2022 have extended the statutory deadline for local authorities to approve and publish their Audited accounts for the 2022/23 to 2027/28 financial years.
5. The Accounts and Audit (Amendment) Regulations 2022 have therefore implemented new deadlines, for the Audited accounts only, by amending the Accounts and Audit Regulations 2015. The revised deadlines applicable to local authorities are as follows:
  - 31 May 2023 – Unaudited accounts to be certified by the Director of Finance and Commercial Services.
  - From June 2023 – The Statement of Accounts is subject to audit by the Authority's auditors, Ernst & Young, and their findings will be reported to

the Audit and Standards Committee. During this time there is a period where the public can inspect the accounts and related documents (Thursday 1<sup>st</sup> June 2023 to Wednesday 12<sup>th</sup> July 2023).

- No later than 30 September 2023 – Accounts to be re-certified by the Director of Finance and Commercial Services.
  - No later than 30 September 2023 – Audit and Standards Committee considers and approves the Statement of Accounts. Following approval, the Chair of the Audit and Standards Committee signs and dates the Statement of Accounts.
  - No later than 30 September 2023 – Publish, on the Council’s website, the audited Statement of Accounts together with any certificate, opinion or report issued by the auditor.
6. It is worth noting that the timings of the process above can be affected if members of the public object to the accounts, and, if by 30 September 2023, the auditors have not determined whether these objections could have a material impact on the Council’s accounts. In addition, Ernst & Young have raised with officers that the start of their audit will be delayed and don’t expect to start the external audit process until January 2024, so the Council will not achieve its 30 September 2023 statutory deadline. Officers are looking at the impact this will have on the preparation and production of the 2023/24 Statement of Accounts and the change of external auditors for the new financial year.

## **Local Authority Accounting**

7. The presentation of local authority accounts differs greatly to that of the private sector. Many of these differences occur due to legislative requirements for local government accounts and the recognition of costs for the purposes of budgeting and calculating the Council Tax. These differences mainly relate to the way the Council is required to account (or budget) for capital and pension costs.
8. Local authorities account for the revenue impact of capital in line with IFRS on the face of the Comprehensive Income and Expenditure Statement (CIES). This means including figures relating to movements in the value/cost of assets, including depreciation, revaluation, disposal and impairment. These entries are reversed out and replaced with an allowance for the consumption of capital (Minimum Revenue Provision). These “adjustments between accounting basis and funding basis under regulation” are shown in Note 8 to the unaudited accounts.



9. In terms of pension costs, local authorities are required to comply with an International Accounting Standard called IAS 19 (*Employee Benefits*), which means accounting for pension liabilities when local authorities are committed to them, not when they are actually paid out. This includes showing movements in the value of pension scheme assets and liabilities.
10. The Council complies with IAS 19 and recognises the Council's share of the net liability of the South Yorkshire Pension Scheme in the balance sheet. Within the CI&ES the 'Cost of Service' figures have been adjusted so they represent the true costs of pensions earned. As stated above, IAS 19 does not have any effect on the calculation of the Council Tax Requirement as the entries are reversed out and replaced by the cash contributions to the Pension Scheme, in an adjustment between accounting basis and funding basis under regulation.
11. The report on the Council's Revenue Outturn position at the end of the 2022/23 financial year was taken to the Finance Committee on 13<sup>th</sup> June 2023. It was reported that there was an overall deficit on the General Fund of £5m, after carry forward requests.
12. In contrast to this deficit, the CIES reports a surplus of £1,226m. The inclusion of items relating to capital and pensions is the major reason for this difference. The table below shows the reconciliation from the outturn position to the eventual CI&ES surplus:

|  | <b>£000</b>        |
|--|--------------------|
| <b>Deficit on General Fund Revenue Account (per outturn report)</b>                  | <b>5,015</b>       |
| Net contribution from revenue reserves   | 21,720             |
| Deficit on Schools' Accounts   | 12,114             |
| <b>Total Contribution from Reserves</b>  | <b>38,849</b>      |
| Removal of debt charges  | (49,574)           |
| Removal of pension contributions   | (53,062)           |
| <i>Items that do not affect Council Tax:</i>   |                    |
| Inclusion of accounting charges for depreciation, impairment, holiday pay, PFI, etc. | (1,162,242)        |
| <b>(Surplus) on Income &amp; Expenditure Statement</b>                               | <b>(1,226,029)</b> |

13. The Statement of Accounts comprise several key statements:

- Comprehensive Income and Expenditure Statement – **Appendix 1**
- Movement in Reserves Statement – **Appendix 2**
- Balance Sheet – **Appendix 3**
- Cash Flow Statement – **Appendix 4**
- Expenditure and Funding Analysis Statement – **Appendix 5**
- Key Notes to the Core Financial Statements – **Appendix 6**
- Housing Revenue Account Income and Expenditure Account – **Appendix 7**
- Collection Fund – **Appendix 8**

Comprehensive Income and Expenditure Statement – **Appendix 1**

14. This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (Council Tax). Councils raise taxation to cover expenditure in accordance with regulations and this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Movement in Reserves Statement – **Appendix 2**

15. This Statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other unusable reserves.
16. The (Surplus) or Deficit on the provision of services line shows the true economic cost of providing the authority's services, more details of which are shown in the CIES. These are different from the statutory amounts required to be charged to the General Fund Balance and Housing Revenue Account for Council Tax setting and dwellings rent setting purposes, therefore an adjustment is made to the movement in reserves statement for adjustments between accounting basis and funding basis under regulation.
17. The "Net (increase) / decrease before transfers to earmarked reserves" line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

### Balance Sheet – Appendix 3

18. The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority.
19. Reserves are reported in two categories:
  - Usable reserves - those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.
  - Unusable reserves - those that cannot be used to provide services. This category includes reserves that hold timing differences shown in the Movement in Reserves Statement line “Adjustments between accounting basis and funding basis under regulations”.

### Cash Flow Statement – Appendix 4

20. The Cash Flow statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents.
21. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority.

### Expenditure and Funding Analysis Statement – Appendix 5

22. The Expenditure and Funding Analysis (EFA) shows how annual expenditure is used and funded from resources (Government grants, rents, Council Tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council’s portfolios / services.
23. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

## Key Notes to the Accounts – **Appendix 6**

24. The notes to the accounts contain information in addition to that presented in the main statements. They provide narrative descriptions, disaggregation of items presented in the statements and further information about items in the statements.
25. Attached at Appendix 6 are some of the key notes to the accounts, including the note on Officers' Remuneration (note 43). Full details are required for senior employees, who form part of the Strategic Leadership Team, whose salary is above £50,000 per annum, and an additional summary disclosure is required of the numbers of other staff whose total remuneration (i.e. salary plus overtime and allowances etc.) is above £50,000.
26. The Council's outturn position for 2022/23 reported a net deficit of £5m overall for the general fund revenue account. The Statement of Accounts is in line with the outturn report but sets out the more detailed financial position for the Council in a format required by legislation. As well as the Expenditure and Funding Analysis Statement referred to earlier, the following note also shows the reconciliation between the outturn position and the Statement of Accounts CIES:
  - *Adjustments between accounting basis and funding basis under regulations (Note 8)* – this note details how the CIES has been adjusted in accordance with accounting practice, and the resources that are specified by statutory provision as being available.

## Housing Revenue Account (HRA) – **Appendix 7**

27. The HRA Income and Expenditure Statement is ring fenced from the rest of the General Fund and shows the economic cost in year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants.
28. Authorities charge rents to cover expenditure in accordance with regulations, which may be different from the accounting cost.

## Collection Fund – **Appendix 8**

29. The Collection Fund is a statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and Central Government of council tax and business rates.

## Key Issues for 2022/23

### *Net worth*

30. The Council's net worth, as shown on the Balance Sheet (**Appendix 3**), has increased by the surplus from the CIES of £1,226m (or 81%) in 2022/23; the major factors being:
- a net increase in the Council's fixed assets (£262.3m);
  - a decrease in the Council's long-term debtors (£6m);
  - a net decrease in the Council's investments (£27m);
  - a decrease in the Council's short-term debtors (£38.7m), and
  - an increase in the Council's other current assets (£27.3m), offset by;
  - a change from a pension liability to a pension asset (£956.4m decrease) due to the triennial review by the actuary;
  - a decrease in the Council's long-term PFI liability (£18.6m), and
  - a decrease in the Council's other liabilities (£33.1m).

### *Usable Reserves*

31. As shown in the Movement in Reserves Statement (**Appendix 2**), during the year, total usable reserves decreased by £14.5m. The key reasons for the movement in this category of reserves are as follows:
- Earmarked General Fund Reserves decreased by £21.7m during the year, predominantly the result of the Collection Fund reserve, due to a reduction in the retail relief funding from Government. HRA reserves increased by £1m.
  - Reserves used to fund capital expenditure on assets increased by £3.9m.
  - The Council's usable reserves also includes £15.1m of Unallocated Reserves or General Fund Balances, which increased by £2.2m in 2022/23.

## Financial Implications

32. There are no direct financial implications arising from the recommendations in this report.

## Equal Opportunities Implications

33. There are no specific equal opportunities implications arising from the recommendations in this report.

## **Property Implications**

34. There are no property implications arising from the recommendations in this report.

## **Recommendations**

35. The Audit and Standards Committee is asked to note the core statements and the key notes to the Statement of Accounts for 2022/23.
36. The Audit and Standards Committee is asked to note the potential delay to the external audit of the 2022/23 Statement of Accounts.

## APPENDIX 1 – COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

| 2021/22                       |                      |                         | 2022/23 |                           |                      |                         |
|-------------------------------|----------------------|-------------------------|---------|---------------------------|----------------------|-------------------------|
| Gross Expenditure<br>£000     | Gross Income<br>£000 | Net Expenditure<br>£000 | Notes   | Gross Expenditure<br>£000 | Gross Income<br>£000 | Net Expenditure<br>£000 |
| <b>Continuing Operations:</b> |                      |                         |         |                           |                      |                         |
| 633,487                       | (323,799)            | 309,688                 |         | 654,617                   | (339,950)            | 314,667                 |
| 178,482                       | (172,410)            | 6,072                   |         | 190,973                   | (178,859)            | 12,114                  |
| 59,832                        | (35,102)             | 24,730                  |         | 58,829                    | (24,126)             | 34,703                  |
| 237,006                       | (72,720)             | 164,286                 |         | 232,658                   | (63,205)             | 169,453                 |
| 6,926                         | (2,700)              | 4,226                   |         | 8,571                     | (2,976)              | 5,595                   |
| 177,235                       | (164,228)            | 13,007                  |         | 171,752                   | (161,694)            | 10,058                  |
| 1,257                         | (3,023)              | (1,766)                 |         | 8,064                     | (7,802)              | 262                     |
| <b>1,294,225</b>              | <b>(773,982)</b>     | <b>520,243</b>          |         | <b>1,325,464</b>          | <b>(778,612)</b>     | <b>546,852</b>          |
| 212,640                       | (154,054)            | 58,586                  |         | 230,256                   | (162,050)            | 68,206                  |
| <b>1,506,865</b>              | <b>(928,036)</b>     | <b>578,829</b>          |         | <b>1,555,720</b>          | <b>(940,662)</b>     | <b>615,058</b>          |
|                               |                      |                         |         |                           |                      |                         |
|                               |                      | 151,938                 | 9       |                           |                      | 231                     |
|                               |                      | 89,397                  | 10      |                           |                      | 84,353                  |
|                               |                      | (577,597)               | 11      |                           |                      | (609,500)               |
|                               |                      | <b>242,567</b>          |         |                           |                      | <b>90,142</b>           |
|                               |                      | (163,560)               |         |                           |                      | (283,909)               |
|                               |                      | (282,679)               |         |                           |                      | (1,032,262)             |
|                               |                      | 148                     |         |                           |                      | 0                       |
|                               |                      | <b>(446,091)</b>        |         |                           |                      | <b>(1,316,171)</b>      |
|                               |                      | <b>(203,524)</b>        |         |                           |                      | <b>(1,226,029)</b>      |

## APPENDIX 2 – MOVEMENT IN RESERVES STATEMENT

| 2022/23  |      | General Fund Balance £'000 | Earmarked General Fund Reserves £'000 | Housing Revenue Account Balance £'000 | Earmarked Housing Revenue Account Reserve £'000 | HRA Major Repairs Reserve £'000 | Capital Receipts Reserve £'000 | Capital Grants Unapplied £'000 | Total Usable Reserves £'000 | Unusable Reserves £'000 | Total Council Reserves £'000 |
|--|------|----------------------------|---------------------------------------|---------------------------------------|---|---------------------------------|--------------------------------|--------------------------------|-----------------------------|-------------------------|------------------------------|
|  | Note | 34                         | 34                                    | 34                                    | 34  | 34                              | 34                             | 34                             | 34                          | 35                      |                              |
| Balance at 31 March 2022   |      | (12,851)                   | (352,350)                             | (8,023)                               | (1,953)   | (98,141)                        | (78,652)                       | (37,385)                       | (589,355)                   | (915,302)               | (1,504,657)                  |
| <b>Movement in reserves during 2022/23:</b>                              |      |                            |                                       |                                       |   |                                 |                                |                                |                             |                         |                              |
| Total Comprehensive (Income) and Expenditure                             |      | 14,340                     | 0                                     | 75,802                                | 0   | 0                               | 0                              | 0                              | 90,142                      | (1,316,171)             | (1,226,029)                  |
| Adjustments between accounting basis and funding basis under regulations | 8    | 8,692                      | 0                                     | (86,206)                              | 0   | 22,665                          | (16,132)                       | (1,121)                        | (72,102)                    | 72,102                  | 0                            |
| Net (increase) / decrease before transfers to reserves                   |      | 23,032                     | 0                                     | (10,404)                              | 0   | 22,665                          | (16,132)                       | (1,121)                        | 18,040                      | (1,244,069)             | (1,226,029)                  |
| Transfers (to) / from reserves   | 33   | (25,232)                   | 21,720                                | 9,766                                 | (411)   | (9,353)                         | 0                              | 0                              | (3,510)                     | 3,510                   | 0                            |
| (Increase) / decrease in year  |      | (2,200)                    | 21,720                                | (638)                                 | (411)   | 13,312                          | (16,132)                       | (1,121)                        | 14,530                      | (1,240,559)             | (1,226,029)                  |
| Balance at 31 March 2023   |      | (15,051)                   | (330,630)                             | (8,661)                               | (2,364)   | (84,829)                        | (94,784)                       | (38,506)                       | (574,825)                   | (2,155,861)             | (2,730,686)                  |



## APPENDIX 3 – BALANCE SHEET

| As at 31 March 2022 |                                    | As at 31 March 2023 |                    |
|---------------------|------------------------------------|---------------------|--------------------|
| £000                |                                    | Notes               | £000               |
| 692                 | Intangible Assets                  | 27                  | 0                  |
| 3,183,512           | Property, Plant and Equipment      | 23/23A              | 3,446,405          |
| 54,884              | Heritage Assets                    | 25                  | 54,883             |
| 18,780              | Investment Properties              | 26                  | 18,630             |
| 0                   | Long Term Investments              | 14                  | 5,000              |
| 125,507             | Long term Debtors                  | 16                  | 119,522            |
| <b>3,383,375</b>    | <b>Long Term Assets</b>            |                     | <b>3,644,440</b>   |
| 182,000             | Short Term Investments             | 14                  | 150,000            |
| 1,624               | Inventories                        |                     | 2,261              |
| 207,179             | Short Term Debtors                 | 17                  | 168,451            |
| 212,536             | Cash and Cash Equivalents          | 14 / 18             | 239,213            |
| 7,684               | Assets Held for Sale               | 28                  | 7,922              |
| <b>611,023</b>      | <b>Current Assets</b>              |                     | <b>567,847</b>     |
| (15,665)            | Short Term Borrowing               | 14                  | (27,795)           |
| (305,143)           | Short Term Creditors               | 19                  | (289,586)          |
| (12,107)            | Short Term Provisions              | 20                  | (10,898)           |
| (20,657)            | PFI / PPP Finance Lease Liability  | 14 / 24             | (18,614)           |
| (45,086)            | Capital Grants Receipts in Advance | 12                  | (58,504)           |
| <b>(398,658)</b>    | <b>Current Liabilities</b>         |                     | <b>(405,397)</b>   |
| (897,489)           | Long Term Borrowing                | 14                  | (887,407)          |
| (16,237)            | Long Term Provisions               | 20                  | (10,893)           |
| (320,120)           | PFI / PPP Finance Lease Liability  | 14 / 24             | (301,506)          |
| (791,019)           | Pension Liability                  | 45                  | 165,375            |
| (33,206)            | Other Long Term Liabilities        | 21                  | (14,629)           |
| (7,131)             | Revenue Grants Receipts in Advance | 12                  | (6,685)            |
| (25,881)            | Capital Grants Receipts in Advance | 12                  | (20,459)           |
| <b>(2,091,083)</b>  | <b>Long Term Liabilities</b>       |                     | <b>(1,076,204)</b> |
| <b>1,504,657</b>    | <b>Net Assets</b>                  |                     | <b>2,730,686</b>   |
| (589,355)           | Usable Reserves                    | 34                  | (574,825)          |
| (915,302)           | Unusable Reserves                  | 35                  | (2,155,861)        |
| <b>(1,504,657)</b>  | <b>Total Reserves</b>              |                     | <b>(2,730,686)</b> |

|  |
|--|
|  |
|--|

| 2021/22        |  | Notes | 2022/23        |
|----------------|--|-------|----------------|
| £000           |  |       | £000           |
| (242,567)      | Net surplus or (deficit) on the provision of services  |       | (90,142)       |
| 403,685        | - Adjustment to surplus or (deficit) on the provision of services for non-cash movements   | 36    | 248,482        |
| (72,246)       | - Adjustment for items included in the net surplus or (deficit) on the provision of services that are investing and financing activities | 36    | (101,447)      |
| <b>88,872</b>  | <b>Net cash flow from operating activities</b>   |       | <b>56,893</b>  |
| (79,917)       | Investing activities   | 37    | (30,290)       |
| 42,784         | Financing activities   | 38    | 74             |
| <b>51,739</b>  | <b>Net increase / (decrease) in cash and cash equivalents</b>  |       | <b>26,677</b>  |
| 160,797        | Cash and cash equivalents at 1 April   | 18    | 212,536        |
| <b>212,536</b> | <b>Cash and cash equivalents at 31 March</b>   | 18    | <b>239,213</b> |

## APPENDIX 5 – EXPENDITURE AND FUNDING ANALYSIS STATEMENT

| 2022/23   | Notes        | Outturn Position Reported to Internal Management | Adjustments for Items Not Reported to Internal Management | Net Expenditure Chargeable to the General Fund and HRA Balances Under Statutory Funding Provisions | Adjustments between the Funding and Accounting Basis | Other Adjustments | Net Expenditure in the CI&ES |
|---|--------------|--|---|--|--|-------------------|------------------------------|
|   |              | £000   | £000  | £000   | £000   | £000              | £000                         |
|   | <b>Notes</b> |  |   |  | <b>5</b>   |                   |                              |
| People  |              | 304,378  | (602)   | <b>303,776</b>   | 10,891   | 0                 | <b>314,667</b>               |
| Schools   |              | 0  | 4,591   | <b>4,591</b>   | 7,523  | 0                 | <b>12,114</b>                |
| City Futures  |              | 34,052   | 409   | <b>34,461</b>  | 242  | 0                 | <b>34,703</b>                |
| Operational Services (excluding HRA)                            |              | 111,449  | 0   | <b>111,449</b>   | 58,908   | (904)             | <b>169,453</b>               |
| Policy, Performance & Communications                            |              | 3,627  | 0   | <b>3,627</b>   | 1,968  | 0                 | <b>5,595</b>                 |
| Resources   |              | 8,074  | 68  | <b>8,142</b>   | 1,916  | 0                 | <b>10,058</b>                |
| Corporate   |              | (456,567)  | 13,550  | <b>(443,017)</b>   | (90,140)   | 533,419           | <b>262</b>                   |
| Total General Fund (GF)   |              | 5,013  | 18,016  | <b>23,029</b>  | (8,692)  | 532,515           | <b>546,852</b>               |
| Housing Revenue Account (HRA)                                   |              | 2  | (10,401)  | <b>(10,399)</b>  | 86,204   | (7,599)           | <b>68,206</b>                |
| <b>Net Cost of Services</b>                                     | <b>5</b>     | <b>5,015</b>                                     | <b>7,615</b>  | <b>12,630</b>  | <b>77,512</b>  | <b>524,916</b>    | <b>615,058</b>               |
| Other Income & Expenditure GF                                   |              | 0  | 0   | 0  | 0  | (532,515)         | <b>(532,515)</b>             |
| Other Income & Expenditure HRA                                  |              | 0  | 0   | 0  | 0  | 7,599             | <b>7,599</b>                 |
| <b>Other Income &amp; Expenditure</b>                           |              | <b>0</b>   | <b>0</b>  | <b>0</b>   | <b>0</b>   | <b>(524,916)</b>  | <b>(524,916)</b>             |
| <b>(Surplus) / Deficit</b>                                      | <b>5</b>     | <b>5,015</b>                                     | <b>7,615</b>  | <b>12,630</b>  | <b>77,512</b>  | <b>0</b>          | <b>90,142</b>                |
| Opening General Fund and HRA Balance at 1 April                 |              | (375,177)  |   |  |  |                   |                              |
| (Surplus) / Deficit on General Fund and HRA Balance at 31 March |              | 12,630   |   |  |  |                   |                              |
| Other Movements   |              | 5,843  |   |  |  |                   |                              |
| <b>Closing General Fund and HRA Balance at 31 March*</b>        |              | <b>(356,704)</b>                                 |   |  |  |                   |                              |

## APPENDIX 6 – KEY NOTES TO THE CORE FINANCIAL STATEMENTS

### Note 43 – Officers’ Remuneration

Under the Accounts and Audit Regulations 2015, Local Authorities are required to disclose information on their employees’ remuneration in two sections.

The first section must contain the details of those officers defined in the Regulations as senior employees whose salary is above £50,000 per annum. Senior employees are typically categorised as statutory chief officers or non-statutory chief officers. The latter category typically includes those officers who report directly to the Chief Executive (excluding those whose duties are solely secretarial). In addition, those senior officers whose salary is above £150,000 are required to be named in this section.

The second section must include a disclosure of the numbers of other staff whose total remuneration (i.e. salary plus overtime and allowances, etc.) is above £50,000.

The remuneration paid to the Council’s senior employees is shown in the table below:

|         |  |
|---------|--|
| 2022/23 |  |
|---------|--|

| Post Holder Information                               | Note     | Salary – including Fees and Allowances<br>£ | Expenses Allowances<br>£ | Total Remuneration exc Pension Contributions<br>£ | Pension Contributions<br>£ | Total Remuneration inc Pension Contributions<br>£ |
|---|----------|---|--------------------------|---|----------------------------|---|
| Chief Executive - Kate Josephs                        |          | 202,391                                     | 0                        | <b>202,391</b>                                    | 38,454                     | <b>240,845</b>                                    |
| Executive Director - People                           | <b>1</b> | 65,215                                      | 0                        | <b>65,215</b>                                     | 12,391                     | <b>77,606</b>                                     |
| Strategic Director - Adults' Care and Wellbeing       | <b>2</b> | 111,139                                     | 0                        | <b>111,139</b>                                    | 21,116                     | <b>132,255</b>                                    |
| Interim Strategic Director - Children's Services      | <b>3</b> | 112,692                                     | 0                        | <b>112,692</b>                                    | 21,408                     | <b>134,100</b>                                    |
| Executive Director - Operational Services - Ajman Ali |          | 154,158                                     | 0                        | <b>154,158</b>                                    | 29,290                     | <b>183,448</b>                                    |
| Executive Director - City Futures - Kate Martin       |          | 153,279                                     | 0                        | <b>153,279</b>                                    | 29,123                     | <b>182,402</b>                                    |
| Director of Public Health                             |          | 130,461                                     | 34                       | <b>130,495</b>                                    | 18,599                     | <b>149,094</b>                                    |
| Executive Director - Resources - Eugene Walker        | <b>4</b> | 211,367                                     | 0                        | <b>211,367</b>                                    | 16,845                     | <b>228,212</b>                                    |
| Director of Legal and Governance                      | <b>5</b> | 50,606                                      | 0                        | <b>50,606</b>                                     | 9,640                      | <b>60,246</b>                                     |
| Interim Director of Legal and Governance              | <b>6</b> | 87,245                                      | 0                        | <b>87,245</b>                                     | 15,674                     | <b>102,919</b>                                    |
| Interim Director of Finance and Commercial Services   | <b>7</b> | 85,090                                      | 0                        | <b>85,090</b>                                     | 0                          | <b>85,090</b>                                     |
| Director of Policy and Performance                    | <b>8</b> | 99,850                                      | 0                        | <b>99,850</b>                                     | 18,972                     | <b>118,822</b>                                    |
| <b>Total</b>  |          | <b>1,463,493</b>                            | <b>34</b>                | <b>1,463,527</b>                                  | <b>231,512</b>             | <b>1,695,039</b>                                  |

**Notes:**

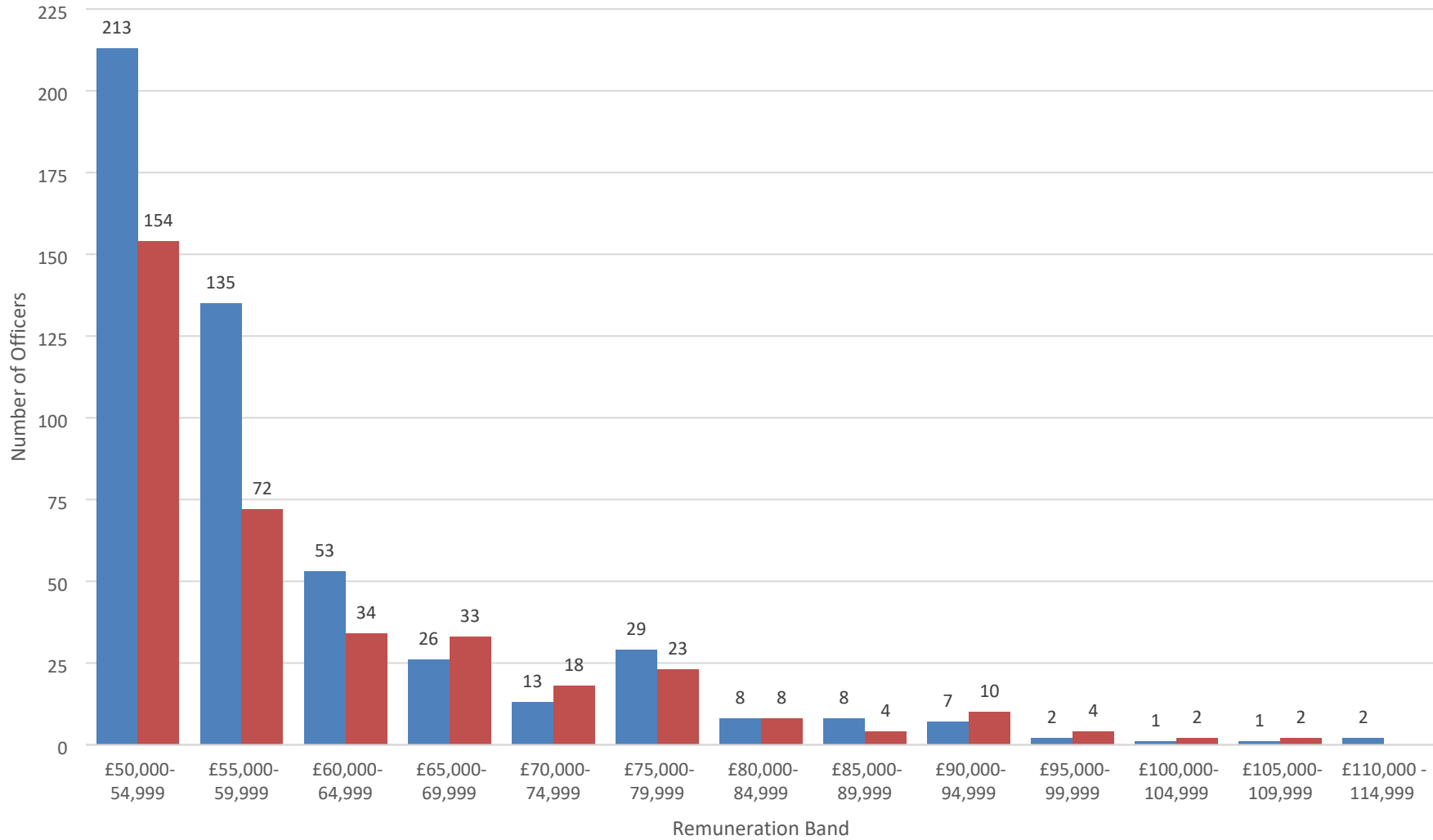
1. The Executive Director of People left their position on 29 August 2022.
2. The Strategic Director of Adults' Care and Wellbeing began reporting directly to the Chief Executive from 30 August 2022.
3. The Interim Strategic Director of Children's Services began reporting directly to the Chief Executive from 30 August 2022. Prior to taking up their current role on 18 August 2022, this individual was the Director of Education and Skills within the People Portfolio and their remuneration in this role is included in the table above.
4. The Executive Director of Resources took up the role of Acting Chief Executive from 16 February 2022. A Temporary Additional Responsibility Allowance (TARA) was paid during 2022/23 and is included in the salary figure above. This individual left their position on 30 November 2022. As a result, the remuneration in the table above also includes a Settlement Agreement payment and Pay in Lieu of Notice.
5. The Director of Legal and Governance in addition took up the role of Acting Executive Director of Resources on a job share basis from 16 February 2022. A TARA was paid during 2022/23 and is included in the salary figure above. This individual left their position on 25 September 2022.

6. Prior to taking up their current role on 26 September 2022, the Interim Director of Legal and Governance was the Assistant Director of Legal and Governance within the Resources Portfolio and their remuneration in this role is included in the table above. While in that role, this individual took up the role of Acting Director of Legal and Governance from 16 February 2022. A TARA was paid during 2022/23 and is included in the salary figure.
7. The Interim Director of Finance and Commercial Services joined the Council on 1 December 2022. This individual reports directly to the Chief Executive and assumes some of the responsibilities of the former Executive Director of Resources. This individual is employed via an agency and their employee costs are inclusive of agency fees, however no accommodation, travel or other expenses were paid during 2022/23. The remuneration in the table above does include Employer's National Insurance and the Apprenticeship Levy, but does not include VAT.
8. The Director of Policy and Performance in addition took up the role of Acting Executive Director of Resources on a job share basis from 16 February 2022. A TARA was paid during 2022/23 and is included in the salary figure.

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

## Officers' Remuneration: Non-Teachers

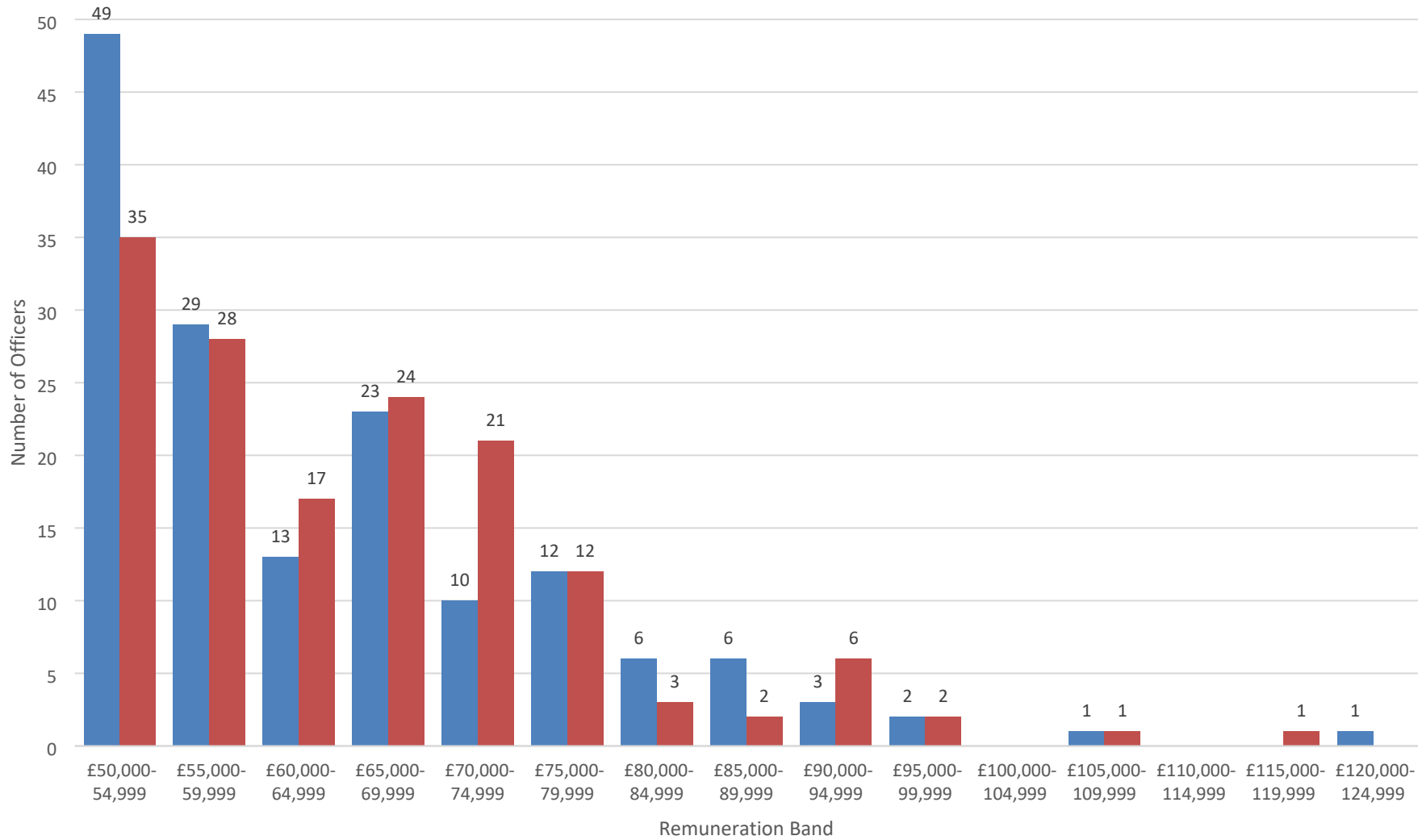
■ Non-Teachers 22/23    
 ■ Non-Teachers 21/22





## Officers' Remuneration: Teachers

Teachers 22/23 Teachers 21/22



## Note 8 – Adjustments Between Accounting Basis and Funding Basis Under Regulations

| 2022/23   | General Fund Balance £000 | Housing Revenue Account £000 | Major Repairs Reserve £000 | Capital Receipts Reserve £000 | Capital Grants Un-applied £000 | Total Usable Reserves £000 | Unusable Reserves £000 | Total Council Reserves £000 |
|---|---------------------------|------------------------------|----------------------------|-------------------------------|--------------------------------|----------------------------|------------------------|-----------------------------|
|   |                           |                              |                            |                               |                                | 34                         | 35                     |                             |
| <b>Notes</b>  |                           |                              |                            |                               |                                |                            |                        |                             |
| <b>Reversal of items debited or credited to the CI&amp;ES:</b>  |                           |                              |                            |                               |                                |                            |                        |                             |
| Depreciation of Non-current assets  | (51,507)                  | 0                            | (24,733)                   | 0                             | 0                              | (76,240)                   | 76,240                 | 0                           |
| Impairment losses charged to the CI&ES  | 0                         | 0                            | 0                          | 0                             | 0                              | 0                          | 0                      | 0                           |
| Revaluation losses charged to the CI&ES   | 12,427                    | (90,746)                     | 0                          | 0                             | 0                              | (78,319)                   | 78,319                 | 0                           |
| Movements in fair value of Investment Properties  | (150)                     | 0                            | 0                          | 0                             | 0                              | (150)                      | 150                    | 0                           |
| Capital grants and contributions credited to the CI&ES  | 68,372                    | 0                            | 0                          | 0                             | (5,629)                        | 62,743                     | (62,743)               | 0                           |
| Application of grants and contributions to capital financing from the Capital Grants Unapplied Reserve  | 0                         | 0                            | 0                          | 0                             | 4,507                          | 4,507                      | (4,507)                | 0                           |
| Revenue expenditure funded from capital under statute   | (17,075)                  | 0                            | 0                          | 0                             | 0                              | (17,075)                   | 17,075                 | 0                           |
| Costs of disposal funded from capital receipts  | (20)                      | 0                            | 0                          | 20                            | 0                              | 0                          | 0                      | 0                           |
| Net gain / (loss) on sale of non-current assets   | (2,738)                   | 4,513                        | 0                          | (33,152)                      | 0                              | (31,377)                   | 31,377                 | 0                           |
| Amount by which finance costs calculated in accordance with the code are different from the amount of finance costs calculated in accordance with statutory requirements        | 1,253                     | 0                            | 0                          | 0                             | 0                              | 1,253                      | (1,253)                | 0                           |
| Reversal of items relating to retirement benefits debited or credited to the CI&ES  | (128,930)                 | 0                            | 0                          | 0                             | 0                              | (128,930)                  | 128,930                | 0                           |
| Amount by which Council Tax and non-domestic rates income adjustment included in the CI&ES is different from the amount taken to the General Fund in accordance with regulation | 24,500                    | 0                            | 0                          | 0                             | 0                              | 24,500                     | (24,500)               | 0                           |
| Amount by which officer remunerations costs calculated in accordance with the code are different from the amount of costs calculated in accordance with statutory requirements  | 8                         | 0                            | 0                          | 0                             | 0                              | 8                          | (8)                    | 0                           |
| <b>Insertion of items not debited or credited to the CI&amp;ES:</b>   |                           |                              |                            |                               |                                |                            |                        |                             |
| Statutory provision for repayment of debt (MRP)   | 49,547                    | 0                            | 0                          | 0                             | 0                              | 49,547                     | (49,547)               | 0                           |
| Voluntary provision for repayment of debt (VMRP)  | 0                         | 27                           | 0                          | 0                             | 0                              | 27                         | (27)                   | 0                           |
| Revenue Contribution to Major Repairs Reserve   | 0                         | 0                            | 0                          | 0                             | 0                              | 0                          | 0                      | 0                           |
| Transfer of Capital Receipts (<£10k) to the General Fund and HRA  | (57)                      | 0                            | 0                          | 57                            | 0                              | 0                          | 0                      | 0                           |
| Transfer from Capital Receipts Reserve equal to the amount payable into the Housing Capital Receipts Pool   | 0                         | 0                            | 0                          | 0                             | 0                              | 0                          | 0                      | 0                           |
| Employer's contribution to pension scheme   | 53,062                    | 0                            | 0                          | 0                             | 0                              | 53,062                     | (53,062)               | 0                           |
| <b>Capital Financing:</b>   |                           |                              |                            |                               |                                |                            |                        |                             |
| Use of Capital Receipts Reserve to finance new capital expenditure  | 0                         | 0                            | 0                          | 16,944                        | 0                              | 16,944                     | (16,944)               | 0                           |
| Use of Major Repairs Reserve to finance new capital expenditure   | 0                         | 0                            | 47,398                     | 0                             | 0                              | 47,398                     | (47,398)               | 0                           |
| <b>Total</b>  | <b>8,692</b>              | <b>(86,206)</b>              | <b>22,665</b>              | <b>(16,132)</b>               | <b>(1,121)</b>                 | <b>(72,102)</b>            | <b>72,102</b>          | <b>0</b>                    |

## APPENDIX 7 – HOUSING REVENUE ACCOUNT

| 2021/22          |   | 2022/23          |
|------------------|---|------------------|
| £000             |   | £000             |
|                  | <b>Note</b>   |                  |
|                  | <b>Expenditure:</b>   |                  |
| 44,474           | Repairs and maintenance   | 51,739           |
| 54,450           | Supervision and management  | 57,885           |
| 2,828            | Rents, rates, taxes and other charges   | 3,107            |
| 108,563          | Depreciation, impairment and revaluation losses / (gains) of non-current assets                                       | 115,478          |
| 223              | Debt management costs   | 200              |
| 1,304            | Movement in the allowance for Bad or Doubtful Debts   | 1,045            |
| <b>211,842</b>   | <b>Total Expenditure</b>  | <b>229,453</b>   |
|                  | <b>Income:</b>  |                  |
| (145,871)        | Dwelling rents  | (151,601)        |
| (1,310)          | Non-dwelling rents - garages, garage sites, shops   | (1,306)          |
| (6,406)          | Charges for services and facilities   | (8,540)          |
| (467)            | Contributions towards expenditure   | (603)            |
| <b>(154,054)</b> | <b>Total Income</b>   | <b>(162,050)</b> |
| 57,788           | Net (Income) / Cost of HRA Services as included in the whole Council's Comprehensive Income and Expenditure Statement | 67,403           |
| 798              | HRA share of Corporate and Democratic Core  | 803              |
| <b>58,586</b>    | <b>Net (Income) / Cost of HRA Services</b>  | <b>68,206</b>    |
|                  | <b>HRA share of operating income and expenditure included in the Comprehensive Income and Expenditure Account:</b>    |                  |
| (1,349)          | (Gain) or loss on sale of HRA non-current assets  | (4,513)          |
| 12,862           | Interest payable and similar charges  | 12,751           |
| (108)            | Interest and investment income  | (640)            |
| <b>69,991</b>    | <b>(Surplus) / Deficit for the year on HRA services</b>   | <b>75,802</b>    |

## Movement on the Housing Revenue Account Statement

| 2021/22         |   | 2022/23         |
|-----------------|---|-----------------|
| £000            |   | £000            |
| (7,782)         | <b>Balance as at 1 April</b>  | <b>(8,023)</b>  |
| 0               | Opening balance adjustment  | 0               |
| 69,991          | (Surplus) / Deficit on the HRA Income and Expenditure Statement         | 75,802          |
| 0               | Other Comprehensive Income and Expenditure                              | 0               |
| (81,567)        | Adjustments between accounting basis and funding basis under regulation | (86,206)        |
| <b>(11,576)</b> | <b>Net (increase) / decrease before transfers to reserves</b>           | <b>(10,404)</b> |
| 11,335          | Transfer to / from reserves   | 9,766           |
| <b>(241)</b>    | <b>(Increase) / decrease in year on the HRA</b>                         | <b>(638)</b>    |
| <b>(8,023)</b>  | <b>Balance as at 31 March</b>   | <b>(8,661)</b>  |

## APPENDIX 8 – COLLECTION FUND

| 2021/22                    |                     |                  | 2022/23  |                               |                        |                  |
|----------------------------|---------------------|------------------|--|-------------------------------|------------------------|------------------|
| Non-domestic Rates<br>£000 | Council Tax<br>£000 | Total<br>£000    | Notes  | Non-domestic<br>rates<br>£000 | Council<br>Tax<br>£000 | Total<br>£000    |
| 0                          | (293,548)           | <b>(293,548)</b> |  | 0                             | (304,269)              | <b>(304,269)</b> |
| (175,173)                  | 0                   | <b>(175,173)</b> | 1<br>2   | (199,397)                     | 0                      | <b>(199,397)</b> |
| <b>(175,173)</b>           | <b>(293,548)</b>    | <b>(468,721)</b> |  | <b>(199,397)</b>              | <b>(304,269)</b>       | <b>(503,666)</b> |
|                            |                     |                  |  |                               |                        |                  |
|                            |                     |                  | <b>Income:</b>                                   |                               |                        |                  |
|                            |                     |                  | Council Tax Receivable                           |                               |                        |                  |
|                            |                     |                  | NNDR Receivable                                  |                               |                        |                  |
|                            |                     |                  | Total Income                                     |                               |                        |                  |
|                            |                     |                  | <b>Expenditure:</b>                              |                               |                        |                  |
|                            |                     |                  | <b>Precepts and Demands:</b>                     |                               |                        |                  |
| 97,927                     | 235,612             | <b>333,539</b>   | - Sheffield City Council                         | 89,291                        | 251,911                | <b>341,202</b>   |
| 0                          | 29,406              | <b>29,406</b>    | - SY Police Authority                            | 0                             | 31,964                 | <b>31,964</b>    |
| 1,999                      | 10,500              | <b>12,499</b>    | - SY Fire and Rescue Authority                   | 1,822                         | 11,118                 | <b>12,940</b>    |
| 99,926                     | 0                   | <b>99,926</b>    | Central Government share of NNDR                 | 91,113                        | 0                      | <b>91,113</b>    |
| <b>199,852</b>             | <b>275,518</b>      | <b>475,370</b>   |  | <b>182,226</b>                | <b>294,993</b>         | <b>477,219</b>   |
|                            |                     |                  | <b>Apportionment of Previous Years'</b>          |                               |                        |                  |
|                            |                     |                  | <b>Surplus/(Deficit):</b>                        |                               |                        |                  |
| (44,893)                   | (4,697)             | <b>(49,590)</b>  | - Sheffield City Council                         | (22,050)                      | 8,167                  | <b>(13,883)</b>  |
| 0                          | (574)               | <b>(574)</b>     | - SY Police Authority                            | 0                             | 1,025                  | <b>1,025</b>     |
| (916)                      | (216)               | <b>(1,132)</b>   | - SY Fire and Rescue Authority                   | (450)                         | 362                    | <b>(88)</b>      |
| (45,809)                   | 0                   | <b>(45,809)</b>  | - Central Government share of NNDR               | (22,500)                      | 0                      | <b>(22,500)</b>  |
| <b>(91,618)</b>            | <b>(5,487)</b>      | <b>(97,105)</b>  |  | <b>(45,000)</b>               | <b>9,554</b>           | <b>(35,446)</b>  |
|                            |                     |                  | <b>Charges to Collection Fund:</b>               |                               |                        |                  |
| 1,199                      | 0                   | <b>1,199</b>     | Non-domestic Transitional Protection<br>Payments | 2,907                         | 0                      | <b>2,907</b>     |
| 0                          | 0                   | <b>0</b>         | Non-domestic Rates Supplement                    | 0                             | 0                      | <b>0</b>         |
| 0                          | 1,257               | <b>1,257</b>     | Impairment of debts:                             |                               |                        |                  |
| 3,018                      | 7,095               | <b>10,113</b>    | - Bad debt written off                           | 0                             | 1,550                  | <b>1,550</b>     |
| 2,762                      | 0                   | <b>2,762</b>     | - Allowance for bad debt                         | 4,030                         | 4,643                  | <b>8,673</b>     |
| 744                        | 0                   | <b>744</b>       | - Appeals provision                              | (10,804)                      | 0                      | <b>(10,804)</b>  |
| 1,580                      | 0                   | <b>1,580</b>     | Cost of Collection                               | 5                             | 0                      | <b>5</b>         |
| 651                        | 0                   | <b>651</b>       | Renewable Energy Disregarded                     | 741                           | 0                      | <b>741</b>       |
| 3,991                      | 0                   | <b>3,991</b>     | Enterprise Zone Growth                           | 1,580                         | 0                      | <b>1,580</b>     |
|                            |                     |                  | New Development Deal Growth                      | 673                           | 0                      | <b>673</b>       |
| <b>122,179</b>             | <b>278,383</b>      | <b>400,562</b>   |  | <b>1,194</b>                  | <b>0</b>               | <b>1,194</b>     |
| <b>(52,994)</b>            | <b>(15,165)</b>     | <b>(68,159)</b>  | <b>Total Expenditure</b>                         | <b>(61,845)</b>               | <b>6,471</b>           | <b>(55,374)</b>  |
| 97,601                     | 5,492               | <b>103,093</b>   | <b>Movement on the Fund</b>                      | <b>44,605</b>                 | <b>(9,673)</b>         | <b>34,932</b>    |
| 44,607                     | (9,673)             | <b>34,934</b>    | <b>Opening Fund Balance</b>                      | <b>(17,240)</b>               | <b>(3,202)</b>         | <b>(20,442)</b>  |
|                            |                     |                  | <b>Closing Fund Balance</b>                      |                               |                        |                  |

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## Audit and Standards Committee Report

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**Report of:** Interim General Counsel

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**Date:** 22 June 2023

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**Subject:** Work Programme

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**Author of Report:** Jay Bell, Democratic Services

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**Summary:**

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

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**Recommendations:**

That the Committee:-

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

(b) approves the work programme.

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**Background Papers:** None

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**Category of Report:** OPEN

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## Statutory and Council Policy Checklist

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



**WORK PROGRAMME**

**1. Purpose of Report**

1.1 To consider an outline work programme for the Committee.

**2. Work Programme**

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

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

**3. Recommendation**

3.1 That the Committee:-

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

**David Hollis  
Interim General Counsel**

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Audit and Standards Work Programme 2023-24- Working Copy

| <b>Date</b>  | <b>Item</b>   | <b>Author</b>   |
|--------------|---|---|
|              |   |   |
| June 2023    | Audit Training  | External Facilitator (TBC)  |
|              |   |   |
| 22 June 2023 | Internal Audit Tactical Plan 23/24  | Linda Hunter (Senior Finance Manager)                               |
|              | Compliance to International Auditing Standards  | Tony Kirkham (Interim Director of Finance and Commercial Services)  |
|              | Audit Recommendation Tracker Progress Report  | Linda Hunter (Senior Finance Manager)                               |
|              | Update on Governance Issues outlined in the Annual Governance Statement               | David Hollis (Interim General Counsel/Monitoring Officer)           |
|              | Summary of Statement of Accounts  | Tony Kirkham (Interim Director of Finance and Commercial Services)  |
|              | Work Programme  | David Hollis (Interim General Counsel/Monitoring Officer)           |
|              | Strategic Risk Update   | Helen Molteno (Corporate Risk Manager)                              |
|              |   |   |
| 27 July 2023 | Internal Audit Annual Fraud Report  | Stephen Bower (Finance and Risk Manager)                            |
|              | Update on Improvement Plan and Annual Complaints Report including Ombudsman for 22/23 | Corleen Bygraves-Paul (Service Delivery Manager, Customer Services) |
|              | Role of the Audit Committee and Training  | Claire Sharratt (Senior Finance Manager)                            |
|              | Community Schools Update  | Andrew Jones (Director of Education and Skills)                     |
|              | Work Programme  | David Hollis (Interim General Counsel/Monitoring Officer)           |

Audit and Standards Work Programme 2023-24- Working Copy

|                   |  |  |
|-------------------|--|--|
|                   |  |  |
| 21 September 2023 | External Audit Plan 2021/22                        | External Auditor (EY)  |
|                   | Annual Internal Audit Report                       | Linda Hunter (Senior Finance Manager)                        |
|                   | Formal Response to Audit (ISA 260) Recommendations | Philip Gregory (Director of Finance and Commercial Services) |
|                   | Interim Standards Complaints Report (Half Yearly)  | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                   | Annual Governance Statement                        | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                   |  |  |
| 19 October 2023   | Work Programme                                     | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                   |  |  |
| 23 November 2023  | Statement of Accounts (Audited)                    | Philip Gregory (Director of Finance and Commercial Services) |
|                   | Report of those Charged with Governance (ISA 260)  | External Auditor (EY)  |
|                   | Work Programme                                     | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                   |  |  |
| 11 January 2024   | Whistleblowing Policy Review                       | Elyse Senior-Wadsworth (Head of Human Resources)             |
|                   | Information Management Annual Report               | Sarah Green (Senior Information Management Officer)          |
|                   | Audit Recommendation Tracker Progress Report       | Linda Hunter (Senior Finance Manager)                        |
|                   | Strategic Risk Reporting                           | Helen Molteno (Corporate Risk Manager)                       |
|                   | Annual Standards Report                            | David Hollis (Interim General Counsel/Monitoring Officer)    |

Audit and Standards Work Programme 2023-24- Working Copy

|                    |   |  |
|--------------------|---|--|
|                    | Review of Members' Code of Conduct and Complaints Procedure | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                    | Work Programme  | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                    |   |  |
| 1 February 2024    | Work Programme  | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                    |   |  |
| 21 March 2024      | Work Programme  | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                    |   |  |
| 25 April 2024      | Internal Audit Plan 2024/25                                 | Linda Hunter (Senior Finance Manager)                        |
|                    | Compliance to International Auditing Standards              | Philip Gregory (Director of Finance and Commercial Services) |
|                    | Work Programme  | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                    |   |  |
| July / August 2024 | Audit Training  | External Facilitator (TBC)                                   |
|                    |   |  |
| June 2024          | Audit Recommendation Tracker Progress Report                | Linda Hunter (Senior Finance Manager)                        |
|                    | Strategic Risk Update                                       | Helen Molteno (Corporate Risk Manager)                       |
|                    | Work Programme  | David Hollis (Interim General Counsel/Monitoring Officer)    |
|                    |   |  |

**IMPORTANT INFORMATION FOR REPORT WRITERS**

## Audit and Standards Work Programme 2023-24- Working Copy

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)**



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