

# Audit and Standards Committee

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**Thursday 1 February 2024 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), Fran Belbin (Deputy Chair), Lewis Chinchen, Simon Clement-Jones, Bryan Lodge, 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 via email [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  
1 FEBRUARY 2024**

**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 - 28)  
To approve the minutes of the meeting of the Committee held on 19 October 2023 & 23 November 2023
- 6. Public Questions and Petitions**  
To receive any questions or petitions from members of the public
- 7. Audit Recommendation Tracker Progress Report** (Pages 29 - 68)  
Report of the Senior Finance Manager, Internal Audit
- 8. Annual Governance Statement** (Pages 69 - 96)  
Report of the General Counsel
- 9. Work Programme** (Pages 97 - 106)  
Report of the General Counsel
- 10. Strategic Risk Management** (Pages 107-120)  
Report of the Director of Finance and Commercial Services
- 11. Dates of Future Meetings**  
To note that the next meeting of the Committee will be held at 5.00 p.m. on 21 March 2024

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

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Audit and Standards Committee

Meeting held 19 October 2023

**PRESENT:** Councillors Mohammed Mahroof (Chair), Sue Alston, Fran Belbin, Simon Clement-Jones, Laura McClean, Henry Nottage and Alison Howard (Co-opted Independent Member)

**1. APOLOGIES FOR ABSENCE**

1.1 An apology for absence were received from Councillor Sioned-Mair Richards

**2. EXCLUSION OF THE PRESS AND PUBLIC**

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

**3. DECLARATIONS OF INTEREST**

3.1 There were no declarations of interest.

**4. MINUTES OF PREVIOUS MEETING**

4.1 The minutes of the meetings held on 21 September 2023 were agreed as an accurate record.

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 The Chair (Councillor Mohammed Mahroof) stated that the Committee had received questions from a member of the public, prior to the meeting. These questions, along with the questions submitted by the questioner at the 21 September 2023 meeting, will be responded to by the General Counsel and shared with the Committee.

**Ruth Hubbard (questions from 21 September 2023)**

1. I note the report of the External Auditor at agenda item 7 in relation to the annual accounts 2021/2. In relation to the Annual Governance Statement she says she has no further issues to report. However the AGS for the year in question is not written in line with the CIPFA/SOLACE requirements that I understand have statutory force. Omissions include no reference to the framework principles, and no statement of assurance in the AGS, but the whole approach taken does not really align with the requirements. Will the committee bring this rapidly to the auditor's attention?

The 21/22 Annual Governance Statement has been formally approved by this committee and meets the statutory requirements. The guidance you refer to is not statutory guidance, under the Local Government Act

2003 and relevant Statutory Guidance can only be issued by the Secretary of State. We are satisfied the relevant Annual Governance Statement meets the requirements of the legislation but the Council's Auditors are aware of your comments and views.

2. Last meeting I asked about the review of the members Code of Conduct and what would be different this time given the significant events documented in Lowcock and the failure of the members code of conduct at the time to be invoked and applied. Essentially the answer given was that the committee believed the same thing would not happen again under the new Code of Conduct, since adopted.

I feel this answer is misconceived and inaccurate. At the time of your discussions of the new Code of Conduct there was a real, live and clear bullying incident witnessed by all at a virtual full council meeting and perpetrated against a member of the public. No action appears to have been taken by anyone at all though, after considerable effort pursuing it following the incident, the then Deputy Leader wrote to me 7 months later that it was "not the council's finest hour". This incident - that was current at the time of your discussions - does not seem to have registered as being relevant or to have informed the committee's considerations of the new code of conduct - behaviours towards members of the public were simply unmentioned.

Some people may feel these kinds of incidents are all in the past now (and I hope they are). However, the failure of Audit and Standards Committee to pick up on issues through the street trees dispute, and its failure to acknowledge or pay attention to the fact of behaviours going on that we're concurrent to its consideration of the new Code of Conduct does not generate confidence for the future i.e. that inappropriate behaviours (or worse) will be swiftly picked up and dealt with. The problem seems to me not the words written in a Code of Conduct (and there was also a perfectly adequate Code of Conduct at the time of the street trees dispute too), but the reluctance or inability to apply it in practice (and perhaps in the face of other considerations regarded as more important). So I ask again, what will be different this time, in reviewing the Code of Conduct? Will this committee discuss the failure of its Code to be effective in practice in the past, and identify what needs to happen in the future to ensure that it is applied routinely, and is also seen to be so?

I think your question actually correctly identifies that the issue you have raised is not so much to do with the Code of Conduct yourself but how it is implemented via the Monitoring Officer Protocol. The Code of Conduct is based on the Local Governance Association model, and in some places goes further than that model code in expectations of behaviour. However, the law is clear that complaints of a breach of the Code of Conduct have to be dealt with by way of a written complaint and can only be dealt with the Council's protocol. This has recently been confirmed by the LGO. This committee's sub-committee determines any breach and therefore the committee as a whole cannot institute a formal complaint as that would be a conflict of interests. The General Counsel has asked to meet you to understand the experience you mention above

and to consider how we can better ensure that those matters that ought to be formally considered are understood and initiated in line with legal requirements and fair process.

3. I have received no answer to my question from the July meeting about the numbers of outstanding complaints relating to the street trees dispute (at that July date). The guidance is that answers are normally provided within ten days (and I did not think this was a difficult or complex question to warrant such delay).

We are sorry for the delay in responding to this question. However, the position was not straight forward and as a matter of courtesy to those directly involved it would not have been right to make a public answer before the issues had been agreed with them. That has now been done and the answer can be given, which is that there are five complaints in relation to the handling of the Streets Ahead contract that are proceeding for consideration following the publication of the Sheffield Street Tree Inquiry Report.

4. I note the review of the 2022/23 Annual Governance Statement in the committee's workplan (and that I raised last meeting for being approximately 90% of the exact same words from the previous years AGS, and for being almost entirely unaligned with the requirements of CIPFA/SOLACE framework). Given I think the AGS will essentially need to be rewritten almost in its entirety, and that it forms part of the annual accounts, will the committee reopen the statutory public inspection window once the AGS is re-done?

We do not accept that the 2022/2023 Annual Governance Statement will need to be rewritten in its entirety. Whilst we agree that the findings can be better presented the process to getting to the matters identified in the statement was a proper and full one and is undertaken each year. With regard to the presentation, we have engaged CIPFA to undertake a review on our behalf to consider how it can allow easier understanding by the public, so I hope you will see those improvements when it is presented to us for consideration. That does not undermine the validity of the draft AGS that was published as the revised presentation will be based on the findings from that proper process. It is not possible to open the public inspection window. Under the Accounts and Audit Regulations that period has to follow publication of specified documents in the first 10 days of June. One of those documents is 'the annual governance statement prepared in accordance with regulation 6(1)(b), whether or not that statement has been approved.'. Therefore as a draft AGS has been published the period has by law concluded and the Council cannot reopen it.

**Ruth Hubbard (questions from 19 October 2023)**

1. I have not received answers to my questions submitted for the last meeting on 21st September (questions below this email). These were submitted a little late and I was not present so my questions were not taken, but it was stated I

would receive written answers. The minutes are late so I cannot check if answers might be recorded there. Is there a reason for the delay to written answers beyond the 10 day guideline?

We apologise for the delay in responding to those questions. Whilst we should try to answer in the 10 days sometimes other pressures can delay the response.

2. My question 1 for the last meeting related specifically to the main agenda item. With the auditor in attendance at that meeting it is disappointing that no one chose to raise this particular question with the auditor in the meeting. I accept this may be because Members thought my comment/question here was of no concern, but I beg to differ. I followed up on this specific matter as part of a letter to the General Counsel on 26th September. I stated that:

"I have now been advised to, in the first instance, ensure that the Independent Member of A and S is aware of the concern I raised - please could you let me know how I contact her as obviously her contact details are not listed by the council. Secondly I have been advised to contact the External Auditor directly on this matter. Thirdly I have been advised that without the CIPFA/SOLACE framework being complied with, my expectation should be that the External Auditor would issue a statutory recommendation or otherwise qualify their opinion. I also said I was inclined to put my concerns in the public domain but thought I should wait for written answers first, at least. I said I would need to take the actions above if I did not receive an answer by 6th October. I was actually too busy last week to do these so, again, I thought I would hang on to come back again to this committee in the first instance.

Thank you for raising your concerns and bringing them to this committee. It is good that people are engaged and interested in our governance and provide challenge. We should also seek continuous improvement in what we do which is while we think our AGS meets the legal requirements we have asked CIPFA to also consider how we undertake the review for the 2023/2024 accounts as well as reviewing the presentation for last years AGS. The Independent Co-opted member is aware of the matters you have raised but the General Counsel will let you know how you can relay any specific concerns to her.

3. Can I also draw your attention to my question 3 from 21st September that refers to (what I thought was a quick and simple) question I asked this committee in July and to which I was promised a written answer. Despite following up I still have no answer. Can I please now be given a full account of why this question appears to have been so difficult to answer.

This has been answered above.

## **6. INFORMATION MANAGEMENT ANNUAL REPORT**

### **6.1 The Senior Information Management Officer and Data Protection Officer**

(Srah Green) stated that the report gave an overview of the information governance arrangements and performance at Sheffield City Council for the financial year 2022/23.

- 6.2 2022/23 was the fifth financial year in which the General Data Protection Regulation (GDPR) and the Data Protection Act (DPA) 2018 have been in force. The Council has continued to work to ensure compliance with the law and an ongoing GDPR Action Plan is in place.
- 6.3 Subject Access Requests (SARs) were when citizens made a request, to be provided with personal information which the Council held on that individual. In 2022/23, the Council handled 809 SARs. 294 were withdrawn or abandoned by the customer and 515 were actioned. 338 of these were answered in time. The overall SAR performance figure for 2022/23 was 65.6%. The Information Commissioner's Office (ICO) contacted the Council concerning 14 separate complaints by data subjects about their SARs in 2022/23. The majority of these cases concerned situations where individuals had complained to the ICO because they had not been provided with the information they had requested within the statutory timeframe.
- 6.4 The Council was legally required to respond to requests for information under the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR). Responses must be made within 20 working days, subject to some exceptions. Each response must confirm if the information was held and then either provide the information or explain the reasons why it cannot be disclosed (exemptions/exceptions). In 2022/23, the Council received 1586 requests and answered 82.12% in time. This was a decrease on the number of information requests received in 2021/22, of 112 requests. The response rate is an improvement on the 76.22% achieved in 2020/21 but fails to meet the Information Governance Board's target of 95% of requests answered in time. The ICO sets the acceptable compliance rate at 90%.
- 6.5 The Council was required to publish certain information on its website or open data sites. The Council was committed to open data to support its transparency agenda and routinely published information about its services, key decisions, and expenditure.
- 6.6 In 2022/23, 442 incidents were logged through the Council's information security incident process, 352 of these incidents were classed as personal data breaches. Most of these breaches involved customer personal data and were caused by human error with emails or post being delivered to the wrong person. Of these breaches, three were considered to meet the risk threshold and were reported to the Information Commissioner's Office.
- 6.7 Information security was about the protection of information or, more specifically, its confidentiality, integrity, and availability. The Council was

required to take appropriate security measures to protect information, particularly personal data, from accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to information transmitted, stored, or otherwise processed. This was increasingly including the protection of critical infrastructure, which is connected to the internet, or other networks, such as 4G or 5G.

- 6.8 The Council continued to provide guidance, training, and awareness, explore better use of information technology to automate records management processes (especially retention and disposal), and gain a better understanding of management responsibility to own the information processed within their service area.
- 6.9 Information security training was mandatory. For the Council's desk-based staff 96.1% had completed the learning and 38.6% of deskless staff had completed the learning. 95.35% of Social Care staff completed the training in time for the 2022/23. Additionally, there had been training of discrete groups such as Foster Carers, student Social Workers, elected Members, Children and Families staff, ICT, communication and information governance for cyberattacks, and intelligence sharing with the police.
- 6.10 Members of the Committee asked questions and the following responses were provided: -
- 6.11 The Senior Information Management Officer and Data Protection Officer explained that in regard to Directed Surveillance, an application would be made to the Magistrates for any surveillance work carried out within the organisation. She added that the Council made 4 requests in the calendar year 2022.
- 6.12 The Senior Information Management Officer and Data Protection Officer stated that Officers did not follow up with customers as to why they had withdrawn their SAR.
- 6.13 The Senior Information Management Officer and Data Protection Officer explained that as the Council was required to publish certain information online, the Council did this via its website or on Data Mill North and ArcGIS.
- 6.14 The Senior Information Management Officer and Data Protection Officer explained that following the ICO Audit, the Council will focus on supporting different services to ensure as much information as possible was published.
- 6.15 The Senior Information Management Officer and Data Protection Officer stated that the Council met its compliance rate in 2019 in relation to FOIAs and were progressing each year. The Council was committed to reach its compliance as soon as possible.

- 6.16 The Senior Information Management Officer and Data Protection Officer confirmed she had not benchmarked against other authorities therefore was unable to say whether 352 security incidents were a high or low figure for an authority this size.
- 6.17 The Senior Information Management Officer and Data Protection Officer stated that the pandemic affected the response time for dealing with SARs as employees were re-directed to other services during that period.
- 6.18 The Senior Information Management Officer and Data Protection Officer explained that when there was a data breach, a risk assessment was immediately undertaken to determine the level of severity. If the severity level was reached, then the Council had 72 hours to report the breach to the ICO.
- 6.19 The Senior Information Management Officer and Data Protection Officer confirmed the Council had not been a victim of a major cyber security breach although we had to be prepared for one. She added there was an IT security team that was focused on this particular risk.
- 6.20 The Senior Information Management Officer and Data Protection Officer believed there will be a reduction in the number of FOI requests due to the Council publishing as much data online as possible. Customers can be signposted to the relevant pages online. She mentioned that the Council usually received larger number of requests when there was either a change in policy or something in the news which interested or concerned people of Sheffield.
- 6.21 The Senior Information Management Officer and Data Protection Officer explained the process of dealing with an FOI request. A request from a member of the public could be sent to any officer within the Council, it was their duty to understand that was a request for information and therefore forward the request onto the FOI team. The FOI team would then review that request and then send that on to the relevant services which hold that information which had been requested. Those services will have an internal deadline for gathering that information and providing it to the FOI team. The FOI team have 20 days to respond to the member of public, they can extend that if necessary although it can not be extended beyond 40 days.
- 6.22 RESOLVED: That the Audit and Standards Committee noted the annual information governance update.

## **7. INFORMATION COMMISSIONER'S OFFICE (ICO) FOI AUDIT REPORT**

- 7.1 The Senior Information Management Officer and Data Protection Officer explained that In May 2023, the ICO carried out a consensual audit of the Freedom of Information (FOI) practices at Sheffield City Council. This took place over two days in May 2023. Sheffield City Council received a set of

recommendations from the ICO following the audit.

- 7.2 The Senior Information Management Officer and Data Protection Officer stated the ICO virtually interviewed many Council employees such as key workers part of the FOI team, the Monitoring Officer, and the Chief Executive. Following the Audit, the Council received 13 recommendations from the ICO. The ICO also published their executive summary on the ICO website.
- 7.3 The Council received the assurance rating of 'reasonable'. The 13 recommendations were welcomed by the Council and now part of a key priority list for the Council to work towards.
- 7.4 Members of the Committee asked questions and the following responses were provided: -
- 7.5 The Senior Information Management Officer and Data Protection Officer explained that the Council had commissioned PwC to support the review and to provide independent advice on implementing the recommendations.
- 7.6 The Senior Information Management Officer and Data Protection Officer confirmed the size of the FOI team needed to be bigger.
- 7.7 Councillor Laura McClean thanked the FOI team for all their hard work.
- 7.8 **RESOLVED:** That the Audit and Standards Committee noted the Audit update.

## **8. WORK PROGRAMME**

- 8.1 The Committee considered a report of the General Counsel that outlined the work programme for the remainder of the municipal year. Members were asked to identify any further items for inclusion.
- 8.2 That an update report based on the progress of the ICO's recommendations be brought next year to a meeting of the Committee.
- 8.3 The Chair asked officers to re-order the items so that the length of future meetings was more balanced for the remainder of the municipal year.
- 8.4 **RESOLVED:** That (1) the work programme be re-ordered and (2) an ICO recommendations progress update report be added to the work programme.

## **9. DATES OF FUTURE MEETINGS**

- 9.1 It was noted that the next meeting of the Committee would be held on 23 November, 2023.





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# SHEFFIELD CITY COUNCIL

## Audit and Standards Committee

### Meeting held 23 November 2023

**PRESENT:** Councillors Mohammed Mahroof (Chair), Fran Belbin (Deputy Chair), Lewis Chinchen, Simon Clement-Jones, Laura McClean, Henry Nottage and Alison Howard (Independent Co-opted Member)

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

1.1 An apology for absence was received from Councillor Bryan Lodge.

#### **2. EXCLUSION OF THE PRESS AND PUBLIC**

2.1 RESOLVED: That Appendix A of Item 10 be excluded from the press and public as the report contained exempt information described in Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

#### **3. DECLARATIONS OF INTEREST**

3.1 There were no declarations of interest.

#### **4. MINUTES OF PREVIOUS MEETING**

4.1 RESOLVED: That the minutes of the previous meeting be deferred to the next meeting of the committee.

#### **5. PUBLIC QUESTIONS AND PETITIONS**

5.1 No public petitions or questions were received.

#### **6. REVIEW OF MEMBERS' CODE OF CONDUCT & COMPLAINTS PROCEDURE**

6.1 The Committee received a report of the General Counsel which set out recommended revisions for the Committee to consider to the current Procedure for dealing with Complaints and Code of Conduct regarding City, Parish and Town Councillors and Co-opted Members.

6.2 On 19 June 2023, the Council's Strategy and Resources Committee agreed a number of actions to respond to the findings and recommendations of Sir Mark Lowcock KCB in his report published 6 March 2023. One of the agreed actions, was for the Monitoring Officer to take a report to the Council's Audit and Standards Committee on whether the standards regime and Councillor Code of

Conduct needed updating.

- 6.3 The General Counsel (David Hollis) referred to each of the proposed revisions to the Code of Conduct and Procedure for Dealing with Complaints and the key points to note were: -
- 6.4 It was explained that there were currently no right of appeal for the complainant or Member against a decision of the Monitoring Officer, Consideration Sub-Committee or Hearing Sub-Committee. Although, if the Complainant felt that the Council had failed to deal with their complaint properly, they can make a complaint to the Local Government and Social Care Ombudsman (LGO). It was not recommended that there be another appeal route although there were recommendations to change the wording so that it was clear for the Complainant that they could make a complaint to the LGO.
- 6.5 It was mentioned that if there was a potential conflict of interest to prevent the Monitoring Officer acting under the protocol, then the matter would be dealt with either by the Council's Deputy Monitoring Officer or by a Monitoring Officer from another Authority. It was therefore proposed to alter the Procedure to reflect this.
- 6.6 The General Counsel set out the current 3-stage process for dealing with complaints. It was stated that the Consideration-Sub-Committee does not decide whether a breach has been made, but considered there was evidence of a breach either recommending the investigation to a Hearing Sub-Committee or dealing with the matter by way of informal resolution. As the Consideration Sub-Committee had virtually the same powers as the Monitoring Officer it was recommended that the process be slim down to a 2-stage process, removing the Consideration Sub-Committee stage.
- 6.7 The General Counsel referred to current sanctions when a Member was found to have breached the Code of Conduct. Further formal sanctions for identified for the Committee to consider.
- 6.8 It was explained that there were no separate complaints process for complaints by a Member made against another Member. Other authorities do have specific provision such as referring the matter to Group Whips. When such situations arise, the Monitoring Officer with the Independent Person will take an initial view and the current discretion on informal disposal or taking no action is sufficient. There was no recommendation to change the Procedure.
- 6.9 It was acknowledged that where there is a finding of a breach of the Code of Conduct by a Member, then that it is very much in the public interest, and so there was an expectation to publish the full details, including the name of the Member concerned. However, in some cases the names may need to be redacted for proper lawful purposes. In some cases, the redaction may also include redacting the name of the offending Member concerned. This could happen where perhaps issues of health and safety were engaged, or if the matter was further referred to the police for their separate investigations. Each case needed to be looked at carefully on the facts before publication. Consequently, there was no

recommendation to amend the Procedure.

- 6.10 Currently, the protocol stated The Sub-Committee will meet in public unless it decides that all or part of the meeting should be held in private in accordance with the Access to Information Procedure Rules in the Council's Constitution. Until a finding of a breach has been made, the Member who has had an allegation made against them is entitled to their right to privacy. Such a Member continues to fulfil the role they were elected to; therefore, making public potential unproven allegations may hinder their role to be undertaken on behalf of their local constituents. This will be taken into account when considering the legal requirements for public access to Hearing Sub-Committee meetings. Consequently, there was no recommendation to amend the Procedure.
- 6.11 Paragraph 10 of the Code of Conduct referred to gifts and hospitality, stating that Members must declare to the Monitoring Officer within 28 days when they had received a gift or hospitality in excess of £10. It was mentioned that some discussion had arisen regarding "incidental gifts". For example, where a donor provides some hospitality in excess of £10 then, it is for the Member to determine whether or not to refuse such a gift / hospitality in the first instance. There may be occasions where to refuse such a gift may cause personal or perhaps cultural offence to the donor. In such situations it is always for the Member to decide how to deal with the gift at that time. If the Member decides to accept the gift (which may be in excess of £10) then it is recommended that the Member always ensures that they inform the Monitoring officer in writing within 28 days of the donation / gift. The basis for this being the need to ensure complete unequivocal impartiality in decision making by all Members, and the perception thereof. Paragraph 10 of the Code of Conduct does not currently cover the situation just described; namely where the Member believes that to refuse the gift/donation may be offensive to the donor. Therefore, it was recommended to update the Code of Conduct to address this.
- 6.12 It was explained that the Complainant can withdraw their complaint at any time. The Monitoring Officer, who has had sight of a complaint that has been withdrawn by a complainant, may nonetheless continue with the complaint if in the opinion of the Monitoring Officer, there were some substantial concerns raised. These concerns would be such as to cause the Monitoring Officer to form the view that it is in the public interest to continue with the complaint, albeit without the pursuit of the Complainant.  
Therefore, it was recommended to amend Paragraph 4.6, to make it clear that the Monitoring Officer will in those circumstances make their own written complaint to meet the legal requirement and to support and maintain the high standards required of the Council's elected Members.
- 6.13 Members of the Committee asked questions and made comments and the key points to note were: -
- 6.14 The General Counsel explained that the Independent Person was involved at each stage of the process.
- 6.15 The General Counsel explained that if a breach was dealt with by informal

resolution, and the complainant was unhappy with that, then they could recommend that it was taken to the next stage.

6.16 A Member of the Committee was happy to support the recommendation to move to a 2-stage process.

6.17 A Member of the Committee asked what the benefit was to having the Consideration Sub-Committee.

Another Member of the Committee explained that it was not ideal not having the subject Member attend the Consideration Sub-Committee as Members were unable to question the subject Member. The subject Member does attend the Hearing Sub-Committee therefore they stated that it would be more beneficial to move to a 2-stage process, removing the Consideration Sub-Committee.

6.18 A Member of the Committee asked whether a decision could be reviewed again, if new evidence was found.

The General Counsel explained that as part of the investigation, it was extremely unlikely for further evidence to arise due to how thorough the investigation was.

6.19 The Independent Person mentioned that he did not believe the process was clear for Members of the public and that the timeliness in which complaints were dealt with were typically long and exceeded the 12-week timeframe.

6.20 The Chair (Councillor Mohammed Mahroof) referred to the difficulty in raising a complaint therefore a duty of care for the complainant needed to be considered. He also referred to the timeliness of the procedure and how complainants and subject Members needed to be put at ease as much as possible through the process. He also believed that making decisions public where possible was crucial for members of the public.

6.21 RESOLVED: That the Committee

(1) considers and comments upon the proposed changes to the current Complaints Procedure and Code of Conduct;

(2) notes that the Monitoring Officer will present a report to Full Council with the Committee's recommendation to adopt the revised Procedure (to include additional revisions arising from the meeting,) and that the Constitution is amended accordingly; and

(3) refers the proposed changes to the Procedure to the Parish and Town Councils for consideration and adoption.

## **7. ANNUAL OMBUDSMAN COMPLAINTS REPORT 2022/23**

- 7.1 The Committee received a report of the Director of Operational Services and Monitoring Officer which provided an overview of the complaints received, and formally referred and determined by the three Ombudsmen (Local Government & Social Care Ombudsman, Parliamentary & Health Service Ombudsman and Housing Ombudsman) during the twelve months from 1 April 2022 to 31 March 2023. The report also identified future developments and areas for improvement in complaint management.
- 7.2 Corleen Bygraves-Paul (Service Delivery Manager) and Jennie Everill (Operational Manager) gave a presentation to the Committee and the key points to note were: -
- 7.3 Jennie Everill explained there was 124 complaints received by the Local Government & Social Care Ombudsman (LGSCO) relating to the Council in 2022/23. This was a 9% increase from the previous year.
- 7.4 The average response times to 23 initial enquires made by the LGSCO and Housing Ombudsman (HO) was 30 calendar days (21 working days) with 87% of responses meeting the original or initial agreed revised deadline. The delays in responding were mainly due to late or incomplete service comments and the annual leave of key officers.
- 7.5 During 2022/23, 19 complaints were upheld by the LGSCO. The Housing Ombudsman determined 5 complaints and made 12 individual complaint findings. In total the Council paid £45455.12 in compensatory payments.
- 7.6 The LGSCO upheld 73% of the complaints that were formally investigated about Sheffield City Council. This was below the 77% average for similar authorities.
- 7.7 The Council had a 100% compliance rate with LGSCO recommendations.
- 7.8 The Housing Ombudsman reported a 62.5% maladministration rate for Sheffield City Council during 2022/23. During 2022/23, the Housing Ombudsman determined 5 complaints and made 12 individual complaint findings in respect of these complaints. 3 Complaint Handling Failure Orders were issued during 2022/23 by the HO.
- 7.9 When officers had previously attended this meeting, they agreed to share half yearly results. Therefore, the first half of 2023/24, overall, the council and its strategic partners (Amey and Veolia) dealt with 4033 complaints YTD (April – September 2023). This compares to 9514 complaints in the previous year (2022/23).
- 7.10 The 2023/24 improvements and ongoing developments were shared with the Committee.
- 7.11 Members of the Committee asked questions and made comments and the key points to note were: -
- 7.12 Jennie Everil confirmed that when the Council complied with the Ombudsman's

recommendation then it always resulted in a satisfactory remedy.

7.13 Jennie Everil believed that the Council learnt from each complaint therefore mitigating reoccurring complaints.

7.14 A Member of the Committee congratulated officers on the 100% compliance rate. They asked if the Council was satisfied that external services such as Amey and Veolia were responding to complaints and providing the Council with their statistics.

Jennie Everil explained that the Council had regular meetings with those external services in which they shared information relating to complaints.

7.15 Corleen Bygraves-Paul stated that the Council were on a cultural transformation. She explained that the Council were ensuring all officers were prioritising complaints and keeping complainants up to date on the status of their complaint.

7.16 Corleen Bygraves-Paul explained that officers were working closely with services receiving the most complaints and that services were sharing best practice across the organisation.

7.17 **RESOLVED:** That the Audit & Standards Committee considers and notes the Annual Ombudsman Report.

## **8. WORK PROGRAMME**

8.1 The Committee considered a report of the General Counsel that outlined the work programme for the remainder of the municipal year. Members were asked to identify any further items for inclusion.

8.2 **RESOLVED:** That (1) the work programme be noted;

(2) the following items be moved on the work programme: -

- Annual Governance Statement (From November 2023 to January 2024)
- Formal Response to Audit (ISA 260) Recommendations (From November 2023 to January 2024)
- Audit Recommendation Tracker Report (From January 2024 to February 2024)
- Strategic Risk Reporting (From January 2024 to February 2024)
- Whistleblowing Policy Review (From January 2024 to March 2024)
- Annual Standards Report (From January 2024 to March 2024)
- Complaints Performance and Complaints Service Improvement Plan



(From February 2024 to March 2024)

(3) the following item be included onto the work programme: -

- Update on ICO Audit Recommendations (April 2024)

## **9. FARGATE CONTAINERS INTERNAL AUDIT REPORT**

- 9.1 The Committee received a report of the Director of Finance and Commercial Services which presented the Internal Audit assessment of Fargate Containers, highlighting the 'no assurance' audit opinion following the independent internal audit review.
- 9.2 The Chair thanked Helen Molteno and Samina Mahmood for their work undertaken on this internal audit review.
- 9.3 The Director of Finance and Commercial Services (Phillip Gregory) explained that the purpose of this audit was to provide an independent opinion as to whether or not the operational risks associated with the construction of the Fargate Containers was managed effectively, and whether the objectives were likely to be achieved and to then to identify lessons learnt for similar projects for the future.
- 9.4 The audit report contained 17 recommendations which were all agreed by Senior Management Officers. All of those recommendations had responsible action owners identified. They were 14 critical rated recommendations and 3 high priority recommendations.
- 9.5 It was mentioned that a follow up Audit had begun week commencing 20 November 2023 that would highlight any outstanding actions with revised implementation dates (if appropriate), and that a report would be brought back to this Committee at its February Committee meeting.
- 9.6 Members of the Committee asked questions and made comments and the key points to note were: -
- 9.7 A Member of the Committee stated that the report lacked context relating to politics/politicians at the time. They stated that the decision-making processes was not recorded and asked if that was by choice. They also raised concern around the references to the turnover of staff and did not believe this was an excuse. They asked how could Members be satisfied that this would not happen again.

The General Counsel explained that the political aspect mentioned by the Member was not picked up as part of the report and did not believe it was something for officers to comment on. He also stated that it was not appropriate at this meeting to look into the actions of individual officers.

- 9.8 A Member of the Committee stated that it was clear there were a lack of recording, therefore it was good to see many recommendations relating to implementing an audit trail for future projects. They asked what evidence could Members expect to

see for future projects, ensuring that appropriate process were followed.

The General Counsel explained that further information could be provided to the Finance Committee when presenting the Capital Projects.

9.9 The Director of Finance and Commercial Services believed the Council does have a robust risk management process in place and believed something like this would be flagged in the future. He also stated that each report presented to Members has an implications section therefore officers needed to look at this and what information was being presented when making recommendations so Members can see clear positive and negative impacts that those decisions have.

9.10 A Member of the Committee asked if there were a list of construction projects that the Council was involved with.

The Director of Regeneration and Development (Sean McClean) explained there was an overall capital programme that was monitored and presented to the Finance Committee. He mentioned that that the majority of construction projects go through capital delivery service. He stated that he was aware that some reports were presented in blocks to the Finance Committee therefore he stated that officers could look at improving the visibility of that reporting across the capital programme.

9.11 A Member of the Committee asked how Members who were not Members of particular Policy Committees, could request items onto a work programme.

The General Counsel explained that Members could pick this up with their group representatives for that Policy Committee, so those issues fed into their work programme and that the role of scrutiny was picked up as part of the decision-making within those Committees.

9.12 A Member of the Committee mentioned that it could be useful to hold workshops with Members if officers were going to review what information was presented to Members in reports.

9.13 The Independent Co-opted Member asked if anything could be done to extend to scope of the Audit in order to respond to the concerns raised by Members of this Committee.

The Chief Operating Officer (Claire Taylor) explained that a deep dive into the broader scope of Audit had been requested and was currently under way. She stated that she was happy to brief Members of the Audit & Standards Committee once that report was available over the coming weeks.

9.14 The Director of Finance and Commercial Services explained there was a finance training session open to all Members in December and that it would be recorded and available to view by Members at a later stage.

A Member of the Committee also recommended the LGA risk management

training.

- 9.15 A Member of the Committee stated how it was important to look at the bigger picture now and take away lessons learnt from this Audit.
- 9.16 The Chair proposed that this report be brought back to a future Committee meeting with further scope to raise their concerns.
- 9.17 A Member of the Committee queried why the Audit report slightly differed from that reported to Members in a Capital Approvals paper at Finance Sub-Committee on the 7 June 2022 in relation to the explanation for increased costs on the construction of the Fargate Containers.

The Senior Finance Manager, Internal Audit (Linda Hunter) agreed to circulate information to the Committee on this, following the meeting.

- 9.18 Members of the Committee raised concerns on agreeing the report's recommendations.

The Chief Operating Officer mentioned that she could brief Members of the Committee once the deep dive on the scope was available.

- 9.19 A Member of the Committee raised concerns relating to the role of Audit & Standards and explained how he was frustrated that the Committee was consistently asked to just note reports.

The General Counsel explained that the Committees remit was about looking at processes rather than engaging in scrutiny.

The Member stated there was not much evidence of scrutiny taking place within the Committee System. Therefore, suggested that a recommendation to the Governance Committee on how the role of scrutiny was picked up as part of the Committee System.

A Member of the Committee mentioned that this could be picked up as part of the Governance Committees work programme.

- 9.20 The General Counsel proposed that a further report be brought back to this Committee, once the deep dive scope review was completed, to look at the lessons learnt from this Audit review.
- 9.21 RESOLVED: That a further report be brought back to this Committee, once the deep dive scope review was completed, to look at the lessons learnt from this Audit review.

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

- 10.1 It was noted that the next meeting of the Committee would be held on 11 January 2024.

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## 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:** 1<sup>st</sup> February 2024

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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 the following reports from the tracker;

- Disposal of IT assets
  - Software Licensing
  - Hardware Asset Management
  - Creditors – Non-standard payments
  - Fargate Containers
- 

**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  
February 2024**

**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 reports from the tracker:
  - Disposal of IT assets
  - Software Licensing
  - Hardware Asset Management
  - Creditors – Non-standard payments
  - Fargate Containers

## **Executive Summary**

### **Reports received in full by the Committee**

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

One review was added to the Recommendation Tracker report in Jan 2023. This review was not followed-up for the last report (June 2023) due to the originally agreed implementation dates. For this report the implementation dates have now 'passed' and are included in this report.

This report is:

- Montgomery Residential Home

### **New reports added to this tracker**

For this period, three new reports have been added. These reports are:

- Debtor Controls in Adult Health and Social Care Activity
- Fargate Containers
- Establishment Control

### **Recommendation implementation**

In total, updates have been provided on 58 out of 58 recommendations that are due for implementation. Of these, 42 (72%) have been implemented and 16 (28%) are ongoing, indicating work has been started but not yet fully completed.

### **Items to note**

There are 15 critical recommendations contained within this report. They relate to the Fargate Containers review (14 critical recommendations) and Montgomery Residential Home audit (1 critical recommendation). All the



critical recommendations have been satisfactorily actioned for Fargate Containers.

1 critical recommendation remains ongoing for Montgomery Residential Home and relates to overtime payments and monitoring arrangements. Internal Audit have identified that there are still many occasions of high working hours and no adequate process in place to monitor this nor any professional service guidance on what working hours are considered safe for the staff and children in that environment. Mitigations that could be used are not in place.

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 23rd January 2024.

Board members noted the report and acknowledged that progress had been made in this area at service level and resulted in 72% of the audit recommendations being actioned (and 5 audit reviews being recommended for removal from the tracker).

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 of managing and controlling the process, including the escalation process. The Board discussed the assurance process, their role and what help and support they can offer. The Board also discussed the risks and the links between the Performance and Delivery Board, Policy Committees and the Corporate Risk Management Group.

The Board acknowledge the increased risks if audit recommendations are not progressed promptly and asked all Directorates to review their outstanding audit recommendations at their Performance Clinics and identify how they can support recommendation leads. Each Directorate lead officer should then report back to the Performance and Delivery Board and provide assurance that this assessment has been undertaken, that relevant governance structures are in place and support provided to recommendation leads (where required). The Performance Clinics will also provide an opportunity for the recommendation lead to explain in detail the outstanding recommendations and proposed timelines for implementation.

The Performance and Delivery Board further discussed the outstanding 'red' rated recommendations and it was confirmed for Montgomery Residential Home an improvement plan is now in place and it addresses the recommendations on working hours and the claim process. Finally, a wider piece of work across all Care Homes is being undertaken to ensure a joined-up approach is being established and effective processes are in place.

The outstanding audit recommendation for the Freedom of Information (FOI's) and Subject Access Requests (SAR's) audit were also discussed. It was agreed that the Performance Clinics should assess what support can be given to both staff within each Directorate and also the Senior Information Management Officer to clear backlogs and overdue requests. Improvements are required and any learning should be communicated to all staff in the Directorate. The Board stated that information governance is critical and consistent visibility of information is required at both Directorate and Corporate level and this needs to be built into the future Performance Framework and Performance Reporting process.

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 FEBRUARY 2024**

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
Fargate Containers	14	3			14	3						
Montgomery Residential Home	1	8	8	2		3	6	2	1	5	2	
Heritage Park Community School			3	1				1			3	
Holgate Meadows Community School		2	4			2	2				2	
FOI/SAR Recovery Plan		4	1			2				2	1	
Creditors – Non-standard payments		1		1		1		1				
Disposal of IT assets		3				3						
Software Licensing		1				1						
Hardware Asset Management		1				1						
<b>Total</b>	<b>15</b>	<b>23</b>	<b>16</b>	<b>4</b>	<b>14</b>	<b>16</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>8</b>	

Shaded items to be removed from the tracker

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**1. Debtor Controls in Adult and Health Social Care Activities (Adult Services) (issued to Audit and Standards Committee 3.11.23)**

<b>As at February 2024</b>
<b>Internal Audit:</b> This report was issued to management on the 11.10.23. This report will be followed up and included in the next tracker.

**2. Establishment Control (Strategic Support Services) (issued to Audit and Standards Committee 16.1.24)**

<b>As at February 2024</b>
<b>Internal Audit:</b> This report was issued to management on the 4.1.24. This report will be followed up and included in the next tracker.

**3. Fargate Containers (Neighbourhood Services) (issued to Audit and Standards Committee 28.9.23)**

<b>As at February 2024</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 SLT, Richard Eyre, Director of Street Scene and Regulations Services, Andy Kempster, Senior Delivery Advisor, City Futures and Glen Swaby, Interim Head of Procurement between November 2023 to January 2024 during a follow up review.
1.1	<p>Looking forward and in line with the Council’s procurement policies, and financial regulations, the agreed standard procurement route should be followed.</p> <p>Procurement should be signed off only when appropriate and in compliance with the procurement processes and Financial Regulations.</p> <p>A procurement process/manual should be in place to provide guidance to those external to the team to further understand the correct processes to follow.</p>	<b>Critical</b>	<p>Head of Procurement</p> <p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p>	<b>31.10.23</b>	<p><b>Implemented</b></p> <p>Leadership Event on 29<sup>th</sup> November set out the procurement process (as set out in the constitution) and will be followed up with written communication throughout the Directorate.</p> <p><b><u>Internal Audit comment</u></b></p> <p>The event for Neighbourhood Services (NS) staff only – took place on 29.11.23. But slides and details of the event are to be made available to all staff and will be used as part of the NS Leadership Development Programme (pilot currently underway).</p>

			<p>All SLT members and S151 Officer</p>	<p>Internal Audit were provided with slides from the event which covered business continuity, service planning and project management fundamentals (billed as a 'bite size' project management masterclass). The project management slides included guidance on:</p> <ul style="list-style-type: none"> <li>- What is a project?</li> <li>- Core components of project management</li> <li>- Commissioning Capital Delivery Service (CDS)</li> </ul> <p>Additionally, internal audit were informed that the procurement manual had undergone extensive update in 2023. The manual is a live product and therefore is updated regularly as required and to reflect updates in the Public Procurement policy. It was held centrally on a SharePoint site for the Procurement Team only - but Internal Audit were informed that users outside the team would need to request to view via '4me' initially and then P&amp;SC grant restricted access.</p> <p>The Service's Business Process Development project team coordinate updates and notifications. Internal Audit were informed that there is a procurement manual Teams channel, and this lets staff know about updates; version 7 is the latest which was communicated on 5.12.23.</p> <p>Internal Audit were informed that additional pieces of review work had been undertaken by the Executive Director, City Futures and the Head of Capital Delivery Service. Following this review work the Head of Capital Delivery Service has produced a report that sets out in detail how the Service Management System</p>
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					<p>used by CDS responds to and addressed the problems identified by the initial internal audit. This has been shared with Internal Audit and will also be shared with SLB.</p> <p><b>Internal Audit opinion</b> Given the confirmations above from senior management internal audit considers the recommendation complete.</p> <p>But as good practice it has made a recommendation in the Executive Summary (of the follow up report) to roll out the leadership event and learning to all SCC directorates.</p>
1.2	<p>In line with good project management practices, going forward, robust monitoring, especially of milestones, is key.</p> <p>A reconciliation should be undertaken with regard to this build.</p>	<b>Critical</b>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>Director, Streetscene &amp; Regulation</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>As 1.1 above. Additionally, Internal Audit were provided with details of the reconciliation by the Head of Service (HoS). The HoS provided a report to the Strategy and Resources Committee on 24.7.23 which outlined the reconciliation and recommended not paying the Contractor their requested settlement figure. This figure represented the final staged payment for the successful completion of the container park.</p> <p>The HoS stated that Legal Services had sent the Contractor a response on 28.07.23, formally rejecting the request for settlement. As at 11.12.23, there had been no response from the Contractor.</p> <p><b>Internal Audit opinion</b> Given the above statement from senior management, internal audit considers the recommendation actioned.</p>

<p>1.3</p>	<p>Looking forward, for all projects, management should ensure that there is an appropriate payment and authorisation process in place for contractors.</p> <p>This should be completed by someone with appropriate delegation and involved in the project. This process should include steps in place to ensure that payment is only made after verification of works done to the required standard (and agreed milestones met).</p> <p>There should be a clear separation of duties in this process and no one person should have whole responsibility for payments. This contractor authorisation/payment process should be documented and available to view from the onset of activities.</p> <p>There should be regular communication and monitoring of the contractor. Trust in previous works is not enough to evidence that work is being completed.</p> <p>Regular updates and meetings with contractors should take place, minutes and action points should be created as a result of these meetings and kept on file, available to view.</p>	<p><b>Critical</b></p>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>All SLT members and S151 Officer</p>	<p>31.10.23</p>	<p><b>Implemented</b></p> <p>Financial regulations are already on the intranet and available for managers. Financial regulations make this requirement (recommendation) quite clear. There is also a SharePoint site with the guidance. This was not picked up in the Leadership event, however this will be in a future direct email or newsletter. At the time of the follow up no date was given for the planned email or newsletter, covering the Leadership Event points, but Internal Audit were informed by the Executive Director, Neighbourhood Services that this would happen.</p> <p>When poor performance of the contractor regards building control came to light, Building Standards and Licensing were commissioned to do a review of the Contractor. This was carried out and measures put in place to ensure the build was fully compliant. Parks and Countryside are fully aware of the failings of the Contractor on Fargate.</p> <p><b><u>Internal Audit opinion</u></b> As 1.1 above.</p> <p>Internal audit found that there was a link to Finance point which could be accessed via the intranet site, therefore providing access to Financial Regulations. Internal Audit were also provided with email evidence of contact with Parks Services on work related to the Contractor. This highlighted remedial works to be carried out at another site and was in the form of an action plan. It contained areas of non-compliance and was ongoing and monitored.</p>
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1.4	<p>Going forward, and in line with the Councils procurement guidelines, any changes to procurement contracts should involve the procurement team as they hold the expertise and are aware of the relevant laws, rules and procedures. Changes to budgets should be appropriately signed off and evidence of this should be retained and available to view.</p>	<b>Critical</b>	<p>Head of Procurement</p> <p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>The Senior Category Manager, Capital Business Partner, stated that CDS and his Capital Business Partnering Team (BPC) work closely together throughout the lifespan of capital construction projects.</p> <p>In relation to changes to procurement contracts, he confirmed that in relation to capital construction projects, robust processes are in place for financial variations and almost all these require Finance Committee approval.</p> <p>All CDS Cost Managers and Project Managers are suitably experienced in contract administration, including managing changes or variations to contracts, which is done in accordance with the terms of the relevant contract. The form of contract will have been identified and recommended by the Cost Manager, working closely with the BPC Procurement Team.</p> <p>Whilst the Exec Director for Neighbourhood Services noted that these are already done via the Finance Committee.</p> <p><b><u>Internal Audit opinion</u></b></p> <p>As per 1.1 and also comments made at this point above – recommendation actioned.</p>
1.5	<p>For future projects, contractors should be more robustly monitored - in line with standard project management. This should also cover other Council team's involvement in the project. Communication between teams/contractors should be clear, regular and effective. Evidence should be provided to support contractor's assurances made.</p>	<b>Critical</b>	<p>Head of Procurement</p> <p>Executive Director, Neighbourhood Services</p>	31.10.23	<p><b>Implemented</b></p> <p>As per 1.1 and 1.2 above.</p>



	With regards to this project, management should ensure that any monies owed for the non-completion of the build i.e.: the upper floor/installation of lift are identified, reported and refund sought.		Executive Director, City Futures  Director, Streetscene & Regulation  All SLT members and S151 Officer		
1.6	For future projects, management should ensure that there is a clear, robust process in place for all contractors and sub-contractors.  This should be part of all contracts and works of this nature.  Regular monitoring and reporting of sub-contractor's performance should take place and evidence retained following the completion of the project.	<b>High</b>	Executive Director, Neighbourhood Services  Executive Director, City Futures  All SLT members and S151 Officer	31.10.23	<b>Implemented</b>  The Senior Category Manager, Capital Business Partner confirmed that in relation to the management of subcontractors, on capital construction projects, CDS has robust contract management protocols in place.  Experienced Project Managers and Cost Managers work closely with the Construction Procurement Team to ensure the requirements of the new Procurement Reform Act in relation to contract management are implemented.  Issues with subcontractors will be flagged with the contract administrators as part of CDS's standard project and contract management processes, and these would be escalated as required.  <b>Internal Audit opinion</b> As per 1.1 and points raised above within this action point – recommendation actioned.
2.1	For a project of this nature, and in line with standard project management principles, formalised governance structures and planning documentation should have been in place.	<b>Critical</b>	Executive Director, Neighbourhood Services	31.10.23	<b>Implemented</b>  As per 1.1 and 1.2 above.

	It provides guidance and assurance for all involved in projects as it covers areas such as: roles and responsibilities, decision making, escalation, risk management, reporting hierarchies, timeline of activities, risks, delays etc.		Executive Director, City Futures  All SLT members and S151 Officer		
2.2	<p>In line with any future projects of this size, there should be a robust project plan in place and available to view.</p> <p>This should include a methodology and stages for sign off, in line with the governance framework in place.</p> <p>As this project is concluding, and in line with standard project management methodologies, management should undertake a Post Implementation Review (PIR).</p> <p>The PIR should be reported to senior management, and lessons learnt recorded.</p>	<b>Critical</b>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>Director, Streetscene &amp; Regulation</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>A report commissioned by the Chief Operating Officer (COO) has addressed the matters raised both in this recommendation and served as a PIR.</p> <p><b>Internal Audit opinion</b> Internal audit were provided with a copy of the report and found that it covered the recommendations as agreed and consider no further work is required on this matter.</p>
2.3	<p>Going forward, and in line with project management methodologies, staff involved in works should be those best suited to the role (with the required knowledge, skills and expertise).</p> <p>Projects should be properly formed in line with project principles. Expertise and specialist knowledge should be harnessed, and all projects should be robustly resourced.</p> <p>Management should review the resourcing of this project as part of the PIR work.</p>	<b>Critical</b>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>As 2.2 above.</p>
3.1	Going forward and in line with project management methodologies, decision making should be included as a key control.	<b>Critical</b>	Executive Director, Neighbourhood Services	31.10.23	<p><b>Implemented</b></p> <p>In line with Project Management principles, the roles and responsibilities of project team</p>

	<p>Decisions should be made at the appropriate level and recorded in line with governance structures.</p> <p>With regards to this project, management should ensure that all decisions made on the closedown – covering disposal, costs, stakeholder engagement, and working with other teams in the Council, are properly documented and retained.</p>		<p>Executive Director, City Futures</p> <p>Director, Streetscene &amp; Regulation</p> <p>All SLT members and S151 Officer</p>		<p>members will be set out together with decision making route for obtain requisite approvals. Mechanisms already exist for reporting capital projects through the committee process and seeking financial carry overs and variations.</p> <p>Final decision of the future of the containers was made by S&amp;R Committee on 20 11 23. Approved that all 6 community groups will benefit from the future use of repurposed containers.</p> <p><b>Internal Audit opinion</b> Review of the S&amp;R report of 20.11.23 confirmed the above – recommendation actioned.</p>
3.2	<p>Linked to above, decisions should be made when delays are expected, to ensure that plans can still be achieved.</p> <p>This decision making should involve those with more specialist knowledge who are able to establish whether the works are still in fact achievable, regardless of a contractor’s reassurance.</p> <p>If staff in the specialist team deem the works unachievable, appropriate and timely decisions should be made to prevent further loss.</p>	<b>High</b>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>A new Neighbourhood services capital programme board is to be established to monitor the delivery of all Neighbourhoods projects. Programme board established as part of the Directorate Leadership Team.</p> <p>The Neighbourhoods programme board will start in January 2024. At the time of the follow up, no date set yet. However, Carver Street and Street Tree Inquiry scheduled for review on 17 January 2024.</p> <p>Work is ongoing to review projects that are underway or planned and don't have a governance board established and will be completed by the end of January 2024.</p> <p><b>Internal Audit opinion</b> Given the management statement above, internal audit considers the matter has been dealt with satisfactorily and a robust process established.</p>

3.3	<p>As above, decisions should be made in a timely manner, decisions should follow the established governance structure and be communicated to those appropriate.</p> <p>Decisions should be made with full and accurate details, at the correct level with budget implications considered at each stage.</p>	<b>High</b>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures.</p> <p>Director, Streetscene &amp; Regulation</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>The Project Management framework already in place sets out how and when decisions should be made and authority levels.</p> <p>We are building capability in officers (through development via PDR's) improving access to project management materials and awareness when to engage specialist support (i.e. CDS). Leadership event part of this and message will continue via directors and DLT.</p> <p><b>Internal Audit opinion</b> As assurance is provided by the Executive Director, Internal Audit regards the recommendation actioned.</p>
4.1	<p>Regular financial monitoring is a critical control in projects of this nature.</p> <p>Robust finance monitoring and reporting should take place throughout for all future projects.</p> <p>Stronger monitoring in this instance, would've allowed those involved to establish where costs begin to deviate from the budget, and allowed action to be taken promptly.</p> <p>For this project, management should provide a monthly overview of the spend for the project. Covering forecast versus actual outturn, providing explanation for variances.</p>	<b>Critical</b>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>Director, Streetscene &amp; Regulation</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>Spending details have been collated by HoS.</p> <p><b>Internal Audit opinion</b> The HoS provided the breakdown of final costs.</p>
4.2	<p>Linked to the points above, robust finance monitoring should be in place.</p> <p>Regular meetings should take place to discuss this report attended by staff involved in the works, with accurate and up to date spending detailed.</p>	<b>Critical</b>	<p>Executive Director, Neighbourhood Services</p>	31.10.23	<p><b>Implemented</b></p> <p>As per 1.1 above.</p> <p>Project delivery monitoring will be tracked by the Neighbourhood's capital project board.</p>

	Allowing for responsive and timely action, preventing unexpected delays and overspends.		Executive Director, City Futures  All SLT members and S151 Officer		
4.3	<p>For all future projects, management should ensure that accurate closedown costs are calculated, planned, and authorised.</p> <p>Robust budget monitoring – and reporting - on close down costs should ensure any variations are known and dealt with accordingly.</p> <p>Linked to above, management should provide a forecast of the closedown costs, and these should be reported and authorised.</p> <p>There should be ongoing monitoring and reporting of the closedown costs until the project is fully completed.</p>	<b>Critical</b>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>Director, Streetscene &amp; Regulation</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>As per 1.1 and 1.2 above.</p> <p><b><u>Internal Audit opinion</u></b> The processes and actions already referred to will address these recommendations.</p>
5.1	<p>With any project, but especially with a high-profile construction project of this nature, risk management processes are mandatory and a key part of the suite of management reporting and controls.</p> <p>In line with the Councils Risk Management Framework and good project control methodologies, risks should be recorded, scored and mitigated appropriately with a risk owner responsible for each. These risks should be monitored regularly by relevant staff and updated as changes occur, improving awareness of the risks arising. Issues should also be recorded where a risk becomes an issue. Risks should be regularly reported to senior management, being escalated further as required.</p>	<b>Critical</b>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>Project managers and the capital project board will review risks as part of the governance arrangements. Managers will be provided with the toolkit and necessary templates to enable them to carry this out. This was all part of the leadership event. Additionally, this is already embedded as part of established project boards and will be picked up in any new projects.</p> <p><b><u>Internal Audit opinion</u></b></p>

					<p>The above activity took place and is planned within Neighbourhood Services only.</p> <p>Whilst this immediate action is considered complete. There is a need to ensure that this is undertaken across all directorates.</p>
6.1	<p>For all future projects, to mitigate future instances of poor stakeholder engagement – and in line with robust project methodologies, all stakeholders should be identified at the outset with the most appropriate method of communication identified and used. This should form part of the governance documentation.</p> <p>This should ensure information is shared with appropriate stakeholders in a regular and timely manner.</p> <p>On this project, management should consider whether to carry out a customer survey or PIR with the tenants to gauge their feedback.</p>	<b>Critical</b>	<p>Executive Director, Neighbourhood Services</p> <p>Executive Director, City Futures</p> <p>All SLT members and S151 Officer</p>	31.10.23	<p><b>Implemented</b></p> <p>As per 1.1 above.</p>

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

<p><b>As at December 2022</b></p> <p><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.</p>
<p><b>As at June 2023</b></p> <p><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.</p>
<p><b>As at February 2024</b></p> <p><b>Internal Audit:</b> An update on progress with the recommendations is included below.</p>

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by Jill Guess, Service Manager and Lindsey Knight Assistant Director Residential Services December 2023 during a follow up audit.
1.1	<p>As is best practice, overtime should be offered to lower grade staff especially those that work less than 37 hours.</p> <p>There should be clear, demonstrable, authorisation of overtime hours/requests, this will not only provide a solid audit trail for the payments but also prevent issues surrounding recharge amounts when staff work across multiple Homes.</p> <p>Hours worked by members of staff should be checked. By law an employee should not work more than 48hrs a week, in a one month sample a single individual worked 46 and 59hrs over 2 consecutive weeks. Regardless of whether the employee has opted out of the weekly limit there is a duty of care to both staff and the young people at the Home that must be met. Exceeding the legal limit may put this at risk. Hours should be reasonable, and staff should be supported to ensure that they can complete their work within their contracted hours.</p>	<b>Critical</b>	Sue Hatton	<p>13/08/22  <b>Revised Implementation Timescale:</b>                      January 2024</p>	<p><b>Action ongoing</b></p> <p>Overtime is offered to permanent part-time staff first and if they are not covered then will go to agency. If this is not an option, hours will be offered to staff as TOIL first and overtime hours if there is no other option.</p> <p>Management will monitor staffing hours but on occasion due to sickness and annual leave, the hours may go over at times when there is no alternative, but this will be reflected the following week.</p> <p><b>Internal Audit Comments</b>                      Through discussion, Internal Audit acknowledge that the Home has an awareness of considering reasonable hours, however this is subject to the demands of the home and availability of agency cover/staff.</p> <p>Internal Audit have identified that there are still many occurrences of high working hours and no process in place to monitor this nor any guidance as to what safe working hours for staff and children is.</p> <p>The basic rota template was provided. It was not documented anywhere what the minimum or established staffing level to match the rota against. However, it is apparent that the base rota does not schedule enough cover for the Home although without an established staffing level it is unclear to what extent. Non-the-less it</p>

					<p>is clear that the need for overtime or agency is intrinsically built in.</p> <p>Internal Audit were provided with actual rotas for 9 weeks. None of these recorded the total hours for each staff member nor a rolling average to help determine whether excessive hours needed to be addressed. Therefore, no such concerns are provided on the weekly summary report to service managers.</p> <p>Internal Audit sampled one week's rota (w/c 7/8/23) and identified five people that had worked more than 48 hours.</p> <p>Internal Audit are concerned that these hours are excessive but have not been provided with any professional service guidance on what working hours are considered safe for the staff and children in this environment. Mitigations that could be used are not in place.</p>
1.2	<p>Rotas should use a 24hr clock, where amendments to the rota are required these should be clear and legible. Any changes to the rota should be signed off by the appropriate manager. These practices should ensure that there is no confusion surrounding who is required preventing the Home from being under or over staffed.</p> <p>If amended hours lead to overtime, the hours classed as overtime should be clearly recorded to ensure that checks on accuracy can be performed regularly.</p> <p>Staff on the rota should be identifiable and again, hours should be clear, not simply referred to as "am" or "pm".</p> <p>All rotas should be signed to evidence that the hours were deemed appropriate by the Home's manager and authorised as so.</p>	High	Sue Hatton	13/10/22	<p><b>Implemented</b></p> <p>This requirement has been done and the rota is used as 24h clock since September 2022. The manager has an overview of the hours that have been work by each member of staff.</p> <p><u>Internal Audit Comments</u> Internal Audit reviewed the standard rota and sampled 9 weeks rotas. These were spreadsheet based and so are clear and legible and all use a 24-hour clock. It was clear as to who is on duty and at what time. Sleep-in nights as well as waking nights were clearly marked. Through discussion the process for organising overtime was explained and this was led by the</p>



					<p>Homes Manager with opportunities given fairly to all staff.</p> <p>The Home keeps good records of incidents that occur and have a risk assessment for each child identifying their needs which can include additional staffing support.</p>
1.3	<p>The Home's manager should be involved in the Home's monthly monitoring processes. This includes the verification of payroll person by person. Any variances would need to be reported and investigated and evidence should be retained of this check.</p>	<b>High</b>	Sue Hatton	13/10/22	<p><b>Implemented</b></p> <p>The manager and assistant manager are checking the hours on a monthly base, and they authorise them.</p> <p>Any vacancies are reported to higher management and HR and a resource control form is done. This is authorised by directors.</p> <p><u>Internal Audit Comments</u> The Service have provided weekly overview reports as evidence of this recommendation being implemented.</p> <p>Payroll costs are reviewed at monthly meetings between the Home Manager and the Monitoring Officer in Business Support.</p>
1.4	<p>Petty cash should be used appropriately and in line with SCC Financial Administration Procedure Manual on Petty Cash, this means the maximum spend per transaction should be no more than £25 unless authorised by the budget holder, this authorisation must be in writing and retained in records.</p>	<b>High</b>	Sue Hatton	13/10/22	<p><b>Action ongoing</b></p> <p>All receipts are verified before a petty cash claim is done. The tin is topped up only after the receipts are reviewed. All spending is agreed with the manager or group leader on shift.</p> <p><u>Internal Audit Comments</u> Each petty cash voucher was signed by the member of staff receiving the money with one exception. However, there was no "passed by" signature providing authorisation for each transaction. Managers review the total claim</p>

					<p>before topping up the petty cash, but this is <u>after</u> cash has been taken by staff.</p> <p>Description of spend on the vouchers was still limited such as “car parking” with no context as to where or why.</p>
1.5	<p>Procurement card expenditure should be in accordance with SCC’s policies and expenditure must be appropriate. Appropriate authorisation should also be obtained for all procurement card orders and this must be retained.</p> <p>It is also recommended that the spend limits on the cards are lowered to closer to the average spend.</p> <p>When a member of staff is off sick usage of their card should be suspended.</p>	High	Sue Hatton	13/10/22	<p><b>Implemented</b></p> <p>The SCC policies and procedures are followed. The managers credit cards are not left in the home to be used by other staff. Credit cards are only used by named Manager and receipts are kept for evidence and the statement is checked by business support each month.</p> <p><u>Internal Audit Comments</u> Internal Audit have identified that the Home now has two procurement cards. These are held by the Manager and Assistant Manager. The limit has not been reduced since the original audit but there is one less card in use.</p>
1.6	<p>Spending on procurement cards should be closely monitored so it can be understood why there have been such sharp increases in comparison with previous years.</p> <p>Though it is understood that certain charges, such as those on Hair and Beauty are discretionary, there should be limits and monitoring in place to ensure spends are not unreasonable. Likewise, as the home is supposed to function in similar ways to a family home spending on takeaways should be reduced significantly.</p> <p>Spend should be adequately categorised so the area of spend can be easily identified and monitored.</p> <p>(See also recommendation 4.2)</p>	High	Sue Hatton	<p>13/10/22</p> <p><b>Revised Implementation Timescale:</b> February 2024</p>	<p><b>Action ongoing</b></p> <p>All spending is discussed in advance and no purchases are made by staff without prior authorisation.</p> <p>Takeaways are purchased once per week, every Friday, and there is a set budget that is allocate for each person.</p> <p><u>Internal Audit Comments</u> Internal Audit have reviewed the homes menu and it is clear that a takeaway is only scheduled once a week and is linked to young people’s attendance at the House meeting.</p>

					<p>Expenditure with the narrative takeaways was analysed for the beginning of the 2023/24 financial year.</p> <p>The expenditure on subscriptions has increased with an additional subscription to Amazon Prime (so two subscriptions) as well as Netflix.</p> <p>There has been a significant reduction in other spend areas that were increasing.</p> <p>Some progress has been made but there is still scope for economies.</p>
1.7	<p>Work should be done to understand why, in the last year, there has been a 33% increase in weekly costs for the Home, per place, and what action is needed to reduce the unit cost to meet the budget in 2022/23.</p> <p>Internal audit would recommend that a zero based costing is prepared to understand what levels of staffing and other costs would be needed to achieve this.</p> <p>An understanding of what the base budget buys, would allow the Home Manager to explain variances in expenditure. An action plan and regular monitoring of this should allow the service to reduce it's actual weekly cost.</p>	High	Sue Hatton	<p>13/10/22</p> <p><b>Revised Implementation Timescale:</b> February 2024</p>	<p><b>Action ongoing</b></p> <p>A review of the menu has been undertaken and changes have been made to reduce spending. Trips to the shop have been limited to twice a day has been put in place.</p> <p>A full review of agency staff has been done and the agency is used only when staff cannot cover the shifts.</p> <p>Recruitment has been undertaken so this will have a positive impact on agency costing.</p> <p><u>Internal Audit Comments</u> Internal Audit have reviewed the total costs of operating the Home in recent years. Since the original audit there has been a further 40% increase in costs.</p> <p>The budget for 23-24 was increased to reflect undelivered savings in reducing agency costs, and a further amount to cover staffing pressures.</p> <p>Internal Audit have not been provided with any evidence that a zero-based budget was</p>

					<p>reviewed, and budget has simply been increased to reflect previous year costs.</p> <p>Despite the increase in budget there is currently a forecast overspend.</p> <p>A zero-based budget would enable more specific understanding of what the budget buys. For example, it would identify a reasonable grocery cost per week, and actual costs and reasons for variances would be easier to identify and explain.</p>
1.8	Forecasts should be signed off by management monthly, and any variances, and movements in forecast should be explained accordingly.	<b>Medium</b>	Sue Hatton	13/1/23	<p><b>Implemented</b></p> <p>A monthly meeting takes place with the finance team to review budgets and spending, this should be signed off by management. Spending is questioned and relational requested on staff and agency costs.</p> <p><u>Internal Audit Comments</u> Internal Audit reviewed the financial forecast status for the last 6 months. Three of these had been completed by the Home Manager and one by the Residential Service Manager. The most recent two months had been prepared by the monitoring officer in business support but not signed off by a manager. However, a forecasting meeting between the manager and monitoring officer is scheduled for the upcoming month end.</p>
1.9	VAT receipts should be requested by staff for relevant purchases and the VAT value should be recorded accurately to reduce costs to the home. There is a legal requirement for VAT registered organisations to provide this, for spends under £250 a simple VAT receipt from the till is sufficient.	<b>Medium</b>	Sue Hatton	13/1/23	<p><b>Implemented</b></p> <p>A system is in place for all VAT items so that this can be claimed back by business support and recording within the homes finances.</p>

					<p><u>Internal Audit Comments</u> Internal Audit discussed the process with the Monitoring Officer and the process in that team to check for valid receipts and ensure VAT is accounted for. They will chase this up when appropriate e.g., supermarkets when on-line VAT receipts can be obtained.</p> <p>Ongoing diligence in this area is needed particular with staff turnover.</p>
1.10	Use of Confirmation orders should be restricted to only demonstrable emergencies.	Medium	Sue Hatton	<p>13/1/23</p> <p><b>Revised Implementation Timescale:</b> April 2024</p>	<p><b>Action ongoing</b></p> <p>Business support has set up an amazon account for the home and all the spending are attached to it. This gives a clear and transparent view of the things that are bought for the home.</p> <p><u>Internal Audit Comments</u> Internal Audit randomly sampled a few orders and identified two scenarios where orders were placed after the service had been delivered and invoice.</p> <p>It was noted that for both services this practice reoccurred at an average of £700 per week and £500 per month, respectively.</p> <p>Authorisation and control are reduced where orders are placed after the service has been provided.</p>
1.11	Overtime should always be authorised by the assistant and homes manager and based on rotas. Actual overtime charges should also be verified against rotas.	Medium	Sue Hatton	13/1/23	<p><b>Implemented</b></p> <p>Overtime is authorised only by RM and AHM All changes are done in the right time frame. Rotas are stored on G drive and business support has access to check this weekly.</p>

					<p><u>Internal Audit Comments</u></p> <p>The HR system that processes this does have access controls that would require authorisation from an appropriate manager.</p> <p>Internal Audit has also seen rotas and discussed processes for making overtime available to all staff.</p>
1.12	It is recommended that a register is created to log periodic payments to avoid double payments.	<b>Efficiency &amp; Effectiveness</b>	Sue Hatton	13/7/23	<p><b>Implemented</b></p> <p>A register has been created and gives a clear overview of spending and this was reviewed by business support weekly.</p> <p><u>Internal Audit Comments</u></p> <p>Internal Audit have also discussed this with the Monitoring Officer and been advised that utilities at the Home are provided by the Council's contracted provider and so are made using a Consolidated Payment Arrangement. This provides the necessary safeguards.</p> <p>The Monitoring Officer has advised that a system will be put in place for rentals.</p>
1.13	Goods received should be carefully checked and recorded to ensure that payments are not made for goods which do not arrive. Transactions should be monitored monthly to ensure accuracy.	<b>Efficiency &amp; Effectiveness</b>	Sue Hatton	13/7/23	<p><b>Implemented</b></p> <p>Staff receiving deliveries know that they must check the goods against receipts and the receipts are then stored for monitoring purposes.</p> <p><u>Internal Audit Comments</u></p> <p>Internal Audit have reviewed a sample and could see that goods received had been entered in a timely manner.</p>
2.1	Agency staff timesheets should be verified against rotas and authorised by the Home's manager or another appropriate member of staff.	<b>Medium</b>	Sue Hatton	13/1/23	<p><b>Implemented</b></p>

					<p>This is done every Monday by business support after management have authorised the previous week's rota.</p> <p><u>Internal Audit Comments</u> Internal Audit understand that business support goes into the Home and can review rotas before approving agency timesheets.</p>
2.2	It is imperative that all staff are subject to the appropriate checks and that the relevant information is saved on file.	Medium	Sue Hatton	13/1/23	<p><b>Implemented</b></p> <p>The house follows the SCC policies and procedures, and safer recruitment for all staff and files are stored with HR that can be accessed on request. For agencies, a file is created in the house. Management is using safe recruitment policies.</p>
2.3	The Home's manager should carry out monthly checks to ensure that fluctuations in charges are valid and any unexplained variations are investigated and acted upon.	Medium	Sue Hatton	13/1/23	<p><b>Implemented</b></p> <p>A financial audit for young people's files and petty cash is to be completed on a monthly basis.</p> <p><u>Internal Audit Comments</u> This recommendation overlaps with 1.3 above and a monthly review of staffing is conducted between the Homes Manager and the Monitoring Officer.</p>
3.1	It is vital that a risk register and risk management plan is produced which highlights all relevant risks. This should identify, measure and mitigate each risk, and also include information about who the risk is assigned to and how it will be monitored. This register should be reviewed and updated by management regularly and as new risks arise.	High	Sue Hatton	<p>13/10/22</p> <p><b>Revised Implementation Timescale: April 2024</b></p>	<p><b>Action ongoing</b></p> <p>If a risk is identified a risk assessment and risk register will be put in place per identified risk by the homes management team. Monthly reviews will be complete with management oversight. This will mitigate or reduce risk.</p>

					<p><u>Internal Audit Comments</u></p> <p>Internal Audit have reviewed risk assessments that are completed for each child. The risk assessments are robust, detailed and regularly reviewed.</p> <p>Internal Audit have also reviewed a Health, Safety and Wellbeing Risk Assessment for the Home which captures all the related risks and has an extensive list of controls which are checked and reviewed at least annually.</p> <p>The Home provided evidence that operationally risks are managed robustly with detailed controls. These would constitute excellent mitigations for many risks.</p> <p>However, there is not a documented risk register or plan for the Home (or all SCC Children's Homes) which reflects all risks and records the existing mitigations that address them.</p>
4.1	<p>The Home should have a documented and comprehensive local Finance Policy that is regularly reviewed and updated appropriately. This should include details on who has financial responsibilities at the home and the appropriate delegates.</p> <p>This Policy should also include detail on the process of all finance tasks which take place at the home including authorising expenditure, reconciling petty cash and monthly forecasting.</p>	<b>High</b>	Sue Hatton	<p>13/10/22</p> <p><b>Revised Implementation Timescale:</b> February 2024</p>	<p><b>Action ongoing</b></p> <p>The policies and procedures are on HRpoint and are easy to access. An individual policy covering responsibilities and appropriate delegations will be put in place <b>by February 2024</b> in conjunction with a zero-based review of the budget.</p> <p><u>Internal Audit Comments</u> Internal Audit have seen staff meeting minutes that evidenced discussion of the Council's policies.</p>



4.2	Policies should be in place across all Homes to offer guidance on what is reasonable expenditure, for example guidelines on monthly beauty treatment spends.	<b>Medium</b>	Sue Hatton	13/1/23  <b>Revised Implementation Timescale:</b> February 2024	<p><b>Action ongoing</b></p> <p>This has been discussed at the homes managers meeting on the 06/07/23.</p> <p>These policies will be put in place <b>by February 2024</b> in conjunction with a zero-based review of the budget.</p> <p><u>Internal Audit Comments</u> The position has not changed since the original audit, and no further information has been provided to Internal Audit.</p>
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**5. Heritage Park Community School (Children Services) (issued to Audit and Standards Committee 8.9.22)**

<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.
<b>As at February 2024</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 Mark Fairbrother, Principal November 2023
1.6	<p>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.</p> <p>Secondly, it is important that this is reported on and confirmed by the governing body at a meeting</p>	<b>Medium</b>	Mark Fairbrother – School Principal	December 2022  <b>Revised Implementation Timescale:</b> May 2024	<p><b>Action ongoing</b></p> <p>The school is now without a School Business Manager (SBM) to update the asset management register. The asset management company has failed to update the school following a request for the cost of updating the system.</p>

	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.				<p>The school has bought into an asset register service and this will be implemented in the May Half term (2024).</p> <p>Once set up the reports will go to the IEB (Executive Board) to be checked annually.</p>
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>	<p>Kevin Corke - Chair of Interim Executive Board</p> <p>Mark Fairbrother – School Principal</p>	<p>Timescale TBC dependent on Ofsted results.</p> <p><b>Revised Implementation Timescale:</b> Dec 2023</p>	<p><b>Action ongoing</b></p> <p>The SBM post wasn't supporting the school's needs and the grade was not appropriate. This has been removed from the staffing structure. The school now has a staffing structure in place which we are starting to move towards as vacancies arise. Service contracts are being reviewed for best value for money. Additional finance support is being provided by TEAM Education Trust as part of the Associate Contract. Discussions are ongoing with the LA on individual pupils whom additional funding is required. The school is talking to the LA about how this can be supported. The deficit reduction plan is going to the IEB Dec 2023.</p>
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>	<p>Kevin Corke - Chair of Interim Executive Board</p> <p>Mark Fairbrother – School Principal</p>	<p>March/April 2023</p> <p><b>Revised Implementation Timescale:</b> December 2023</p>	<p><b>Action ongoing</b></p> <p>The school's spending plan is being prepared by the Finance Manager. The spending plan will be submitted to the IEB in December.</p>
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/ Effectiveness</b>	<p>Mark Fairbrother – School Principal</p>	<p>Ongoing Basis</p>	<p><b>Implemented</b></p> <p>A budget setting methodology has been created and this will be presented regularly to the IEB and formally documented.</p>

					Additional finance support is being provided by TEAM Education Trust as part of the Associate Contract.
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**6. Holgate Meadows Community School (Children Services) (issued to Audit and Standards Committee 8.9.22)**

<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.
<b>As at February 2024</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 Storer – School Principal January 2024
2.8	It is recommended that the school begin developing a robust deficit reduction plan which should be agreed with the governing body.	<b>High</b>	Claire Bailey, School Principal	10/02/23	<b>Implemented</b>  Holgate have implemented the following recommendations from the School Resource Management Advisors (SRMA): <ul style="list-style-type: none"> <li>• Reduction of 13 support staff</li> <li>• Reduction of 2 teaching staff</li> <li>• Reduction in 1 senior leader</li> </ul>
2.10	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.  Once agreed, the principles for setting and updating the budget should be recorded and reviewed on an	<b>Medium</b>	Claire Bailey, School Principal	10/02/23	<b>Implemented</b>  The Business Manager has left Holgate following a period of absence. SAAF’s contract has also ended. Nexus (Multi Agency Academy Trust) have seconded a finance officer to support Holgate prior to academic conversion.

	appropriate basis to ensure the budget setting processes are always appropriate.				There has been a zero-based budget review which went to the Governing Body in December 2023 The recommendations from the SRMA are being implemented.
2.11	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.	Medium	Claire Bailey, School Principal	10/02/23	<b>Implemented</b>  A deficit recovery plan was put forward and agreed by the IEB on the 5 <sup>th</sup> May 2023. There has been a zero-based budget review which went to the Governing Body in December 2023 for approval
2.12	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.	High	Kevin Corke, Chair of Governors Claire Bailey, School Principal Gill Matthews, Business Manager	10/02/23	<b>Implemented</b>  A deficit recovery plan was put forward and agreed by the IEB on the 5 <sup>th</sup> May 2023. There has been a zero-based budget review which went to the Governing Body in December 2023 for approval.
5.3	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.	Medium	Claire Bailey, School Principal	10/02/23  <b>Revised Implementation Timescale:</b> April 2024	<b>Action ongoing</b>  This work is still to be actioned by the IEB. They have actioned a closure owing to the ongoing fire safety implementation plan.
5.4	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.	Medium	Claire Bailey, School Principal	10/02/23  <b>Revised Implementation Timescale:</b> April 2024	<b>Action ongoing</b>  Nexus (Multi Agency Academy Trust) action plan to be adopted on academisation.

	This document should then be circulated amongst the staff to ensure they are also aware of procedure in the event of a critical incident.				
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**7. Freedom of Information /Subject Access Requests Recovery Plans (Strategic Support Services) (issued to Audit and Standards Committee 8.12.22)**

<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.
<b>As at February 2024</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 January 2024
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> Summer 2024</p>	<p><b>Action ongoing</b></p> <p>58 Information Requests (IRs) have been closed so far in 23/24. There remains 23 IRs, including those within time, to respond to.</p> <p>Performance reporting is currently not available. A case management system which will be able to provide detailed analysis is currently being considered as part of the Operating Model review.</p> <p>Also, the council continues to work on the recommendations provided, following the ICO FOI Audit.</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</b> Timescale: Sept 2024</p>	<p><b>Action ongoing</b></p> <p>The backlog for all SARs apart from Children’s has been cleared. All late SARs are from 2023 onwards. There remains 49 overdue SARs.</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 /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>	<b>High</b>	Sarah Green/ David Hollis	<p>End – December 2022</p> <p><b>Revised Implementation</b> Timescale: Sept 2024</p>	<p><b>Action ongoing</b></p> <p>FOIs – Significant work has taken place following the ICO audit, including a 10-day internal deadline and revised contacts list. A case management system is being considered that will track information requests and provide detail on blockers. Training has been updated and expanded so that staff are aware of their responsibilities.</p> <p>SARs – Training has been updated and expanded so that staff are aware of their responsibilities and know how to recognise a SAR. The backlog remains in a specific service area where the information requests are complex and large. It is recognised that technology to support with collating and converting files will improve response times as days completing this task would be significantly reduced.</p>
4.2	<p>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</p>	<b>High</b>	Sarah Green	<p>Ongoing this will improve over time.– Significantly</p>	<p><b>Implemented</b></p> <p>This is actioned and ongoing, with services reviewing how they provide information as</p>

	recovery plan should be monitored going forward to ensure that it is in place as quickly as possible.			implemented by July 2023	business as usual (BAU). Support is being provided by the team to support services and this will continue.
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	<b>Implemented</b>  Risk has been amended (risk 352) due to current inability to report on SARs status and analyse key data. Work is progressing at pace to correct the issues in the system so that reporting can resume in January 2024.

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

<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.
<b>As at February 2024</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 December 2023
1.1	An asset disposal champion should be nominated (who has a suitable level of authority).  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	<b>High</b>	Mike Weston/Andy Pearson	April 2022	<b>Implemented</b>  Asset Disposal process now defined and process included in Security Policy.

	process and describe how the assets will be removed from the organisation and who will be involved in the process.				
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	April 2022	<p><b>Implemented</b></p> <p>Asset Disposal process now defined and process included in Security Policy.</p>
2.2	Management to seek assurance that the processes as they understand them in relation to what happens to the Council's assets when they are collected by the contractor, are in place. A site visit should be undertaken where deemed appropriate.	High	Andy Pearson	April 2022	<p><b>Implemented</b></p> <p>Process in place and understood.</p>

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

<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.
<b>As at February 2024</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 Stephen Bottomley – Senior Finance Manager and Glen Swaby Interim Head of Procurement January 2024
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 Chair of Financial Design Assurance Group	September 2022 Prioritising recurring larger value payment types	<b>Implemented</b>  Renewal of approval forms concluded and all forms now received and approved.  Approval form process included in the NSP Policy.
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/ Effectiveness</b>	Sian Holmes/ Stephen Bottomley	June 2022	<b>Implemented</b>  Full review of our statutory requirements under the transparency concluded and all of the requested changes to the Qtier transparency report have been made to make it easier to identify counterparty for NSPs. 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.

**10. 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.
<b>As at February 2024</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 Jon Rayner – ICT Service Delivery Manager December 2023
2.2	Roles and responsibilities for software licensing management to be clearly defined and documented. This links to the recommendation on the Council having in place a clear statement of policy on Software Licensing. Management to seek the relevant assurance that staff/suppliers employed to manage the Council's	<b>High</b>	Gary Sweet, ICT Client Service Delivery Officer  Mike Weston, Assistant	01.04.20	<b>Implemented</b>  Business Process now in place and Software being managed through lifecycle and reported in CMDB.

<p>software licensing requirements have the necessary skills and expertise to undertake the work.                  Management to seek assurance that periodic reviews will be undertaken to ensure compliance with the terms and conditions of licences.                  Management to seek assurance that staff/suppliers are skilled in delivering efficiencies within the licensing processes and to clarify and document how this will work in practice.</p>		<p>Director - ICT Service Delivery</p>		
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**11. Hardware Asset Management (Strategic Support Services) (issued to Audit and Standards Committee 1.5.19)**

<p><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.</p>
<p><b>As at Sept 2020</b>  <b>Internal Audit:</b> An update on progress with the recommendations is included below.</p>
<p><b>As at April 2021</b>  <b>Internal Audit:</b> An update on progress with the recommendations is included below.</p>
<p><b>As at December 2021</b>  <b>Internal Audit:</b> An update on progress with the recommendations is included below.</p>
<p><b>As at June 2022</b>  <b>Internal Audit:</b> An update on progress with the recommendations is included below.</p>
<p><b>As at December 2022</b>  <b>Internal Audit:</b> An update on progress with the recommendations is included below.</p>
<p><b>As at June 2023</b>  <b>Internal Audit:</b> An update on progress with the recommendations is included below.</p>
<p><b>As at February 2024</b>  <b>Internal Audit:</b> An update on progress with the recommendations is included below.</p>

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by Jon Rayner – ICT Service Delivery Manager December 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>	01.04.20	<p><b>Implemented</b></p> <p>Business Processes in place for all devices and dashboards are provided.</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:** David Hollis, General Counsel

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**Date:** 1 February 2024

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**Subject:** Annual Governance Statement

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**Author of Report:** David Hollis

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**Summary:** The Audit and Standards Committee must consider the outcome of the review as set out in the Annual Governance Statement and approve it before approving the accounts for the same financial year

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**Recommendations:** That Committee

1. Note the contents of the annual review as set out in the attached statement
  2. Approve the Annual Governance Statement as set out in the Appendix
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**Background Papers:** None

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**Category of Report:** OPEN

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\* Delete as appropriate

## Statutory and Council Policy Checklist

<b>Financial Implications</b>
NO - Cleared by: Philip Gregory
<b>Legal Implications</b>
YES - Cleared by: David Hollis
<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

## **REPORT TITLE**

### **1.0 INTRODUCTION**

- 1.1 The Council is required ensure that it has a sound system of internal control which—
- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
  - (b) ensures that the financial and operational management of the authority is effective; and
  - (c) includes effective arrangements for the management of risk.
- 1.2 Each financial year it must conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement.

### **2.0 BACKGROUND**

- 2.1 The review for the 2022/2023 was undertaken earlier this year and the draft AGS was published in June with the draft Accounts.

### **3.0 MAIN BODY OF THE REPORT**

- 3.1 The findings of the review are set out in the Annual Governance Statement together with progress on how the issues found are being addressed.
- 3.2 The attached final version has been significantly updated since that draft was published. The review findings are the same, but it has been updated to make it easier to understand for the public and to reflect current guidance by Chartered Institute of Public Finance and Accounting.
- 3.3 The Council has a commitment to continuous improvement, and will undertake further work to look at areas of improvement for the process of the review itself. That work will be undertaken in conjunction with CIPFA and will be implemented for the 2023/2024 review and Annual Governance Statement.

3.4 This report sets out the legal implications which arise from The Accounts and Audit Regulations 2015



## Appendix

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# Annual Governance Statement

Sheffield City Council  
2022/23



# Introduction

Under the Accounts and Audit (England) Regulations 2015, local authorities in the UK are required to publish an Annual Governance Statement (AGS) along with their Statement of Accounts. The AGS reports publicly on an authority's compliance with its own Code of Corporate Governance. The Delivering Good Governance in Local Government Framework (2016), published by CIPFA and Solace, sets out the good governance principles on which the Code of Corporate Governance should be based, and provides guidelines for the content of the AGS.

The purpose of this AGS is to:

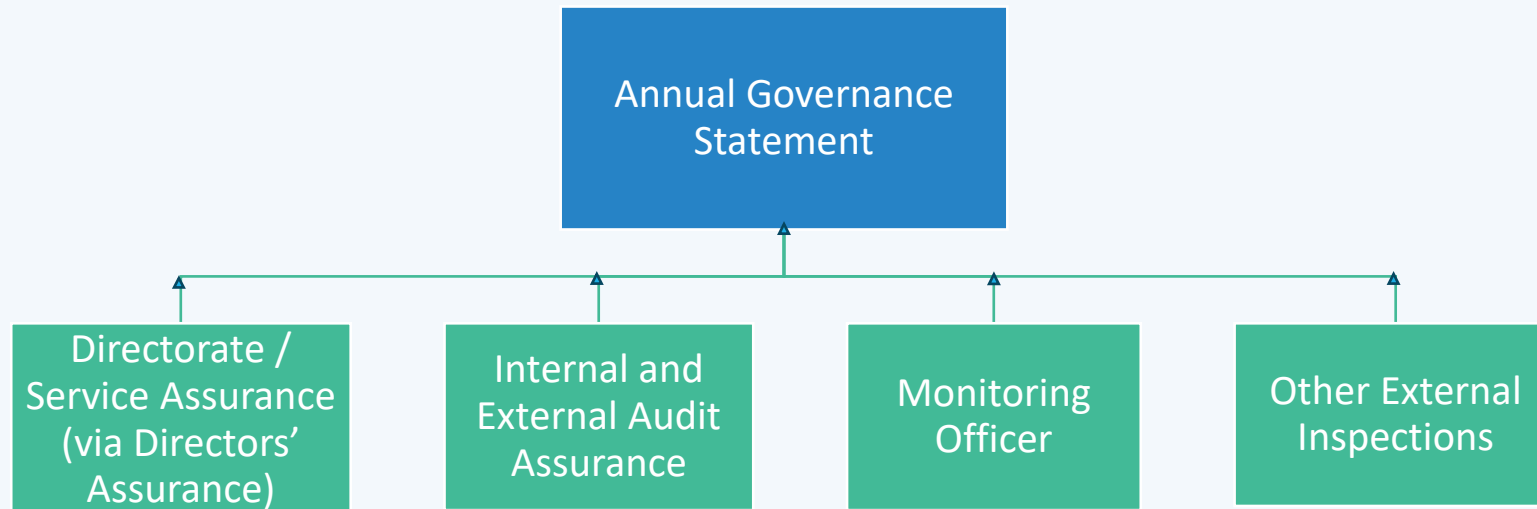
1. Explain to our community and stakeholders how the Council's governance arrangements operate and the controls the Council has in place to manage the risk of failure to deliver planned outcomes.
2. Set out how the Council has monitored and evaluated the effectiveness of its governance arrangements.

# Effective governance and internal control

The Council is responsible for ensuring that it has a sound system of governance and internal control. This is underpinned by the Council's [Code of Corporate Governance](#).

The Council has a duty to review the effectiveness of its governance framework on an annual basis. This review is informed and supported by the work of internal auditors and senior managers, as well as external auditors and other review agencies and inspectorates. This review informs the production of the AGS.

There is a process of positive verification in place, which is summarised below.



# Inputs to the Annual Governance Statement

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- **Internal Audit** provides an independent review of the Council's internal control systems and works closely with the Council's external auditors, EY.
- The **Monitoring Officer** monitors and reviews the operation of the Constitution.
- **Full Council** is responsible for setting the Council's overall objectives, setting the budget, and setting the level of Council Tax.
- **Directors** give written assurance that they are achieving compliance in key required areas. The Council is enhancing its performance reporting, in conjunction with a new Accountability Framework, to develop a means by which services can more easily monitor adherence to our required Areas of Compliance, throughout the year
- The **Performance and Delivery Board** manages improvement actions.
- The **Audit and Standards Committee** scrutinises the work undertaken by Internal Audit. The Committee is also responsible for promoting high standards of conduct by Members, overseeing the Members' Code of Conduct, and considering complaints where a Member may have breached the Code.
- During the year, the Council has been inspected by several **external agencies**. Their reports have been scrutinised to identify issues to ensure that appropriate corrective action is implemented.

# Key elements of the Council's governance arrangements

## Council, Leader, Committee System

The Council represents the views of the community, and makes decisions through meetings of the Full Council, its various committees, and officers acting on authority delegated to them. The Leader acts as the principal political spokesperson for the Council, and develops the vision for the city, working with chief officers, committee chairs, and group leaders. The Strategy and Resources Policy Committee comprises 11 members and is chaired by the Leader of the council. It is responsible for taking decisions on corporate, strategic, and cross-cutting matters. Individual committees have responsibility for decisions within the ambit of their themed scope.

## Scheme of Delegation

The Council's constitution sets out decision-making authorities across the Council. It reserves some decisions to the Council or Committees and sets out the level at which officer decisions are made.

## Scrutiny and Audit

The new Committee governance structure does not require an Overview and Scrutiny function as decisions made in Committee are on a cross party basis, but formal scrutiny remains in place for Health. Policy Committees agree performance priorities and undertake performance reviews.

The Audit and Standards Committee oversees the Council's risk management, control and corporate governance arrangements.

## Strategic Leadership Team

SLT deals with key corporate issues and strategic service issues. It supports the Council's political leadership, providing a steer on policy issues where necessary.

## Risk management and internal control

The Council's risk management and internal control arrangements support the monitoring of risks and evaluation of the effectiveness of the Council's governance arrangements.

# Core principles of good governance

The **CIPFA/Solace Governance Framework** sets out 7 core principles of good governance. The arrangements the Council has in place to meet these core principles are set out below.

More detail on how the Council complies with the core principles is set out in its [Code of Corporate Governance](#).

## **PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical value, and respecting the rule of law**

The Council has in place appropriate policies and procedures to ensure compliance with laws and regulations, including in relation to anti-bribery and whistleblowing. The Constitution sets out the framework for behaviour, including codes of conduct for officers and members, and the statutory roles of the Section 151 Officer and the Monitoring Officer.

## **PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement**

The Council actively engages with its stakeholders through formal and informal partnerships and feedback gathering exercises. It publishes decisions, including clear reasoning and explanations for those decisions. It also responds in a transparent manner to requests for information.

## **PRINCIPLE C: Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The Council's vision reflects its purpose and intended outcomes, and this provides the basis of the Council's strategy and planning. It takes a long-term view in decision making, taking into account the sustainability of available resources, and factoring economic, social and environmental impacts into decision making.



**PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

The Council considers rigorously analysed options before making decisions to ensure that outcomes are achieved, and best value is achieved. It also engages with external stakeholders to ensure that plans have the required impact. The Council ensures that arrangements are flexible to allow it to respond agilely.

**PRINCIPLE E: Developing the Council's capacity, including the capability of its leadership and the individuals within it**


The Council has established clear decision-making frameworks, including its delegations. There is clarity on roles and responsibilities for members and officers. The Council also ensures that members and officers have appropriate skills and experience to support those roles and responsibilities.

**PRINCIPLE F: Managing risks and performance through robust internal control and strong public financial management**

The Council recognises risk management as an integral part of all its activities. It maintains a risk management framework and monitors and evaluates risk management and internal control regularly. Scrutiny is also a central part of the Council's decision making.

**PRINCIPLE G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

The Council is committed to communicating with the public in a transparent manner to enhance public scrutiny. It acts on recommendations made by internal and external audit and welcomes peer challenge.



## The key aims of the Council's internal control environment are:

- 1. Establishing and monitoring the achievement of the Council's business.** The Council has a business planning process that aligns Service Plans with Council priorities contained in the Our Sheffield Delivery Plan. Before May 2022, Cabinet had responsibility for formulating the Council's Medium Term Financial Strategy and for oversight of budget monitoring. Since the change to a committee governance structure, this responsibility has transferred to the Strategy & Resources Committee. Minutes of Council and Committee meetings are publicly available on the [Council's website](#).
- 2. Facilitation of policy and decision-making.** Before May 2022, key decisions were made by the Executive. The Council no longer has the legal concept of Key decisions but its delegation framework ensures Policy Committees take appropriate decisions within the Council's budget and policy framework. The Council is no longer required to have an Overview and Scrutiny function; however, elements of formal scrutiny continue in relation to Health via a sub-committee of the Adult Health and Social Policy Committee. The Leader's own scheme of delegation has been replaced with delegations documented in the Constitution.
- 3. Ensuring the efficient, economic and effective use of resources.** The Council needs to make well informed decisions through business intelligence to enable it to make changes to the right things, in the right way. It acknowledges that it is more important than ever to make the best use of public money and continues to ensure that it prioritises its efforts and resources for the greatest impact, by having a Corporate Delivery Plan setting out the vision and priorities to achieve its goals.

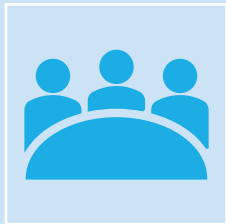
4. **Financial management of the Council.** The effectiveness of the system of financial management is informed by:
- The work of Internal Audit.
  - The external auditor's Annual Audit Letter and other reports.
  - The role carried out by the Director of Finance and Commercial Services under s151 Local Government Act 1972 responsibilities.
  - **Ensuring compliance with established policies, procedures, laws and regulations.** The Council has the following in place to achieve this objective:
    - Procedures are set out in the Council's Constitution, including Standing Orders, Financial Regulations and Protocol, and procurement guidelines.
    - The Monitoring Officer has overall responsibility for ensuring the lawfulness and fairness of decision-making and supporting and advising the Audit and Standards Committee.
    - Overall responsibility for financial matters sits with the Director of Finance and Commercial Services.
    - A Risk Management Framework is in place and risks are reported to the Performance and Delivery Board and Audit and Standards Committee.
    - Audit and Standards Committee oversees the Member Code of Conduct.
    - A Whistleblowing Policy is in place to enable employees and others to raise concerns about the Council's work.
    - Services are reviewed periodically by Internal Audit and external agencies, including the Care Quality Commission and Ofsted.
5. **Performance management and reporting.** The Council's performance reporting process ensures that managers and Members have a clear picture of how the Council is performing against its objectives and targets, and whether specific projects are on track. Risks to delivery are escalated and reviewed. The Human Resources Service supports directorates to ensure that employee matters are central to the performance management of our organisation and a Strategic Workforce Board has been established at a corporate level to ensure that there is clear governance. The Council has development programmes for managers and employees that provide a consistent approach to managing resources, including its people, and to develop employee knowledge and skills across a range of subjects. The Council also has a training programme in place, which is specifically tailored to the needs of elected Members in fulfilling their roles and responsibilities, including an induction programme for newly elected Members.

# Developments in the Council's governance arrangements

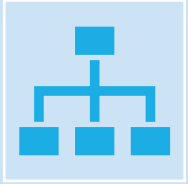
The Council's Governance Framework needs to evolve to consider the changes that are taking place across the organisation. During the year 2022/23, several initiatives have had an impact on the control assurance mechanisms in place.



A Referendum was held in May 2021, the outcome of which was that the Council moved to a committee system of governance. This was adopted at the Annual Council meeting in May 2022, and resulted in a full revision of the Constitution and the way decision making works within the Council. The Council commenced its review of the new system of governance in November 2022 and the changes resulting from that review were implemented at the Council's Annual Meeting in May 2023. The Council is now divided into politically balanced committees that make decisions.



In November 2022, Sheffield City Council underwent a Corporate Peer Challenge conducted by the Local Government Association. The focus of the assessment was on the Council's corporate governance and leadership. As a result, several recommendations were identified and accepted by the Council. These recommendations include efforts to strengthen the implementation and functioning of its committee system by incorporating more public engagement and empowerment. Additionally, the Council will work on establishing transparent processes, protocols, and guidance to support these objectives.



The Council continues to closely monitor its most significant external relationships in relation to risk and governance arrangements and these are incorporated within the reports on Risk Management to the Performance and Delivery Board and the Audit and Standards Committee. Ensuring that appointed Members receive appropriate officer support remains an important area of activity.



The three Leadership Boards enabled all the Council's appointed Directors to have a direct role in leading the organisation. The Strategy Leadership Board, chaired by the Chief Executive, oversees the running of the organisation and is the conduit to the Council's political leadership.



The Sheffield Street Trees Inquiry concluded in March 2023 and put forward a set of recommendations regarding the Council's overall culture and governance that it aims to adopt.

# Opinion on the level of assurance provided by the Council's governance arrangements



The outcome of the review of the Council's governance arrangements is an opinion on the effectiveness of those arrangements. The Council has considered the findings of the review to assess whether its governance arrangements are fit for purpose in accordance with the governance framework. While the Council's governance arrangements are adequate, there is more that the Council can do to ensure it delivers its planned outcomes effectively.



The 2021/22 review has highlighted some governance issues, and the Council is developing a plan to better identify and resolve weaknesses in its internal control systems. The Council is also committed to continuous improvement of its governance framework. To support this, the Code of Corporate Governance is due to be reviewed in early 2024. The Council will also be supported by CIPFA to review the process for producing the Annual Governance Statement.

# Governance issues 2021/22

Several governance issues were identified in the **2021/22** Annual Governance Statement. Details of these issues, and an update on the progress of proposed actions to address them, are set out below.

<b>HUMAN RESOURCES</b>		
<b>Governance Issue identified in 2021/22 Annual Governance Statement</b>	<b>Proposed action</b>	<b>Update for 2022/23</b>
<b>Personal Development Review (PDR) completion rates are low</b> age 87	Expectations were communicated to employees and further communication was planned throughout the year. The process for recording PDRs was to be simplified to avoid the issue of completed discussions not being recorded.	The system element of the PDR process has been streamlined. New guidance and templates have been produced to support quality PDR conversations and the timescales have been outlined. This will continue to be communicated.
<b>Completion rates of mandatory learning need to be improved</b>	Mandatory learning was to be reviewed to reduce the number of training modules staff have to complete, and training was to be tailored to service areas. A new learning platform was to be introduced in October 2022. Communication plans were to accompany any organisation-wide focus on learning.	Completion rates for required learning remain below the 85% target. The Council will continue to issue reminders on learning requirements and will explore how information on compliance will be reported and shared.

## HUMAN RESOURCES

Governance Issue identified in 2021/22 Annual Governance Statement	Proposed action	Update for 2022/23
<b>Establishment controls tasks are not consistently applied</b>	Planned review and simplification of human resource processes and clearer instructions to be issued to managers about what is required.	Planned actions implemented and no further action required.

## INFORMATION GOVERNANCE

Governance Issue identified in 2021/22 Annual Governance Statement	Proposed action	Update for 2022/23
<b>Statutory timescales for responding to requests for information are not being met due to a backlog of requests caused by the pandemic and resource constraints</b>	The Council implemented a case management system that enabled real-time tracking of requests. However, temporary recruitment was required to clear the backlog, and the Council proposed to further review managed of information requests as part of the Delivery Plan.	There is an ongoing backlog in this area. Improvement has been made and the operating model will be reviewed. The Council will also review a case management system for automating the process,. The FOI Internal Review backlog is being reduced by additional temporary resource, but the scale of the backlog means resource is required to adequately address the volume of information requests and achieve compliance. The ICO's audit (in May 2023) will shape the Improvement Action Plan.



## INFORMATION GOVERNANCE

Governance Issue identified in 2021/22 Annual Governance Statement	Proposed action	Update for 2022/23
<p><b>Retention Schedules are not present or routinely applied</b></p>	<p>The Council’s Tech2020 Project includes transfer of documents and records to SharePoint, which allows retention policies to be applied. This process included a review of retention periods by departments.</p>	<p>The transfer to SharePoint has not been completed and the Council does not have up to date Retention and Disposal Schedules. This project needs to be reinstated and it is anticipated that new/replacement systems include questions about deletion and anonymisation at the point of tender. It is noted that this is a risk in relation to GDPR compliance.</p>
<p><b>The Record of Processing Activities (ROPA) is not kept up to date when services make changes to their data processing activities</b></p>	<p>A Council-wide plan of action was agreed to start in Autumn 2022 to build on work done with individual services. The ambition was for the ROPA to link with the Retention Schedule and the Data Privacy Impact Assessment (if relevant), privacy notice, and any security incident relating to that particular processing.</p>	<p>This remains an issue and the Council continues to work towards the ambition identified in last year’s AGS. Services have been asked to review their ROPA and provide updated information to the Information Management Team.</p>

# Governance issues 2022/23

Governance issues identified in **2022/23**, and the proposed actions to address them, are set out below.

HUMAN RESOURCES		
Governance issue	Details of risk	Proposed action
<b>Code of Conduct forms not being completed consistently</b> Page 90	Code of Conduct forms (including Council Policies Update, Declaration of Gifts and Hospitality and Declaration of Interest) should be read and signed by staff each year. This is not happening consistently, with this issue being exacerbated, in part, due to unavailability of the relevant forms in the Council's HR system.	There is ongoing work with the supplier to fix the modules in the HR system. Annual reminders will be sent out to all employees, and the Council is also exploring how information on compliance will be reported and shared.

## INFORMATION GOVERNANCE

Governance issue	Details of risk	Proposed action
<b>Privacy notices and telephone scripts may not be up to date or appropriate</b>	Privacy notices may not be up to date, meaning that there could be issues for GDPR compliance. Telephone scripts may also not contain adequate information about privacy notices.	All services will be required to review their privacy notices and/or telephone scripts to ensure that they contain accurate information.
<b>Legacy contracts may not have appropriate data processing agreements</b>	Contracts entered into before 21 September 2022 may not be up to date with regard to data processing and need to be updated to reflect the new UK transfer mechanism (International Data Transfer Agreement).	The Contracts Service will review all such contracts and, where personal data is processed in a country of non-adequacy, the data processing agreement will need to be updated by March 2024.

## BUSINESS PLANNING

Governance issue	Details of risk	Proposed action
<p><b>Service planning and workforce development plans not available</b></p>	<p>Service plans play an essential role by establishing a connection between the Council’s priorities, as outlined in the Corporate Plan, and the specific activities carried out by its services. The Council has not had a corporate plan for several years, relying instead on annual delivery plans. Furthermore, there were inconsistencies in the approach to service plans and development of workforce development across the Council.</p>	<p>The Council has prioritised the development of a standardised service plan template. More detailed guidance on the required elements of the plan has also been provided and the Council has ensured that the necessary data for creating the plans is easily accessible. The City Futures portfolio is relatively new, and with significant changes in directors, the creation of service plans in this area has been affected.</p>
<p><b>Performance Management Framework not in place or not being followed</b></p>	<p>There were issues in implementing the Performance Management Framework in that measures were not reviewed annually and routine reporting was not taking place. A review of the operating model for Performance Management had been stalled whilst changes were made to the senior officer structure.</p>	<p>The approach to performance management in the organisation has moved on and we now have a corporate performance framework that is reported quarterly to the Performance &amp; Delivery Board as well as providing performance data to Members. The operating model review has now recommenced and as part of that we will be taking a holistic approach looking at culture, processes, systems, data, and structure which will hopefully alleviate the issues raised by services in the process of completing the AGS.</p>

## FINANCE

Governance issue	Details of risk	Proposed action
<p><b>Variances in monthly budget forecasting</b></p>	<p>Monthly Budget Forecasting over the year showed significant variances in the first quarter It is important that forecasts are as realistic as possible in year to avoid the Council undertaking actions which are not commensurate with its underlying financial position.</p>	<p>Monthly forecasts have been substantially improved over the remaining period. A greater focus on accurate forecasting has been developed as part of the Council’s monthly monitoring protocols.</p>
<p><b>Slippage in achieving Business Improvement Plans</b></p>	<p>Business Improvement Plans (BIPs) delivery has a material impact upon the Council’s financial standing. There was substantive slippage within the 2022/23 delivery plans which impacted the Councils outturn position and required a further call on earmarked reserves.</p>	<p>Governance on BIPs delivery has been strengthened and transformation resources have been identified to support accelerated delivery plans.</p>

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**The Council proposes to take remedial actions to address all the issues that have been identified, with regular updates on the progress of this work being made available to the Performance and Delivery Board and the Audit and Standards Committee.**

# Timeline of governance issues

The timeline below shows when governance issues were identified and resolved. It also identifies issues that are ongoing.

Governance issue	Year identified					Status
	2018/19	2019/20	2020/21	2021/22	2022/23	
Personal Development Review (PDR) completion rates are low	✓	✓	✓	✓		RESOLVED
Completion rates of mandatory learning need to be improved		✓	✓	✓	✓	ONGOING
Establishment controls tasks are not consistently applied				✓		RESOLVED
Statutory timescales for responding to requests for information are not being met due to a backlog of requests caused by the pandemic and resource constraints			✓	✓	✓	ONGOING
Retention Schedules are not present or routinely applied		✓	✓	✓	✓	ONGOING
The Record of Processing Activities (ROPA) is not kept up to date when services make changes to their data processing activities			✓	✓	✓	ONGOING
Code of Conduct forms not being completed consistently		✓	✓		✓	RECURRENCE OF ISSUE
Privacy notices and telephone scripts may not be up to date or appropriate					✓	NEWLY IDENTIFIED ISSUE IN 2022/23

# Timeline of governance issues (continued)

Governance issue	Year identified					Status
	2018/19	2019/20	2020/21	2021/22	2022/23	
Legacy contracts may not have appropriate data processing agreements					✓	NEWLY IDENTIFIED ISSUE IN 2022/23
Service planning and workforce development plans not available					✓	NEWLY IDENTIFIED ISSUE IN 2022/23
Performance Management Framework not in place or not being followed					✓	NEWLY IDENTIFIED ISSUE IN 2022/23
Variances in monthly budget forecasting					✓	NEWLY IDENTIFIED ISSUE IN 2022/23
Slippage in achieving Business Improvement Plans					✓	NEWLY IDENTIFIED ISSUE IN 2022/23

# Conclusion

The Council is satisfied that it has adequate governance arrangements in place. However, we have identified some actions that need to be taken in order to address some weaknesses identified in the review. We will monitor and review the implementation and operation of these actions as part of our annual review.

The Council will improve its governance arrangements by:

1. Updating its Code or Corporate Governance.
2. Addressing the governance issues highlighted in this AGS.
3. Reviewing the process for preparing the AGS.



**Cllr Tom Hunt**  
Leader  
[SIGNATURE]



**Kate Josephs CB**  
Chief Executive  
[SIGNATURE]





## Audit and Standards Committee Report

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**Report of:** General Counsel

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**Date:** 1 February 2024

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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  
General Counsel**

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#### 4.0 Referrals from other Committees

4.1 Any referrals sent to this Committee by Council, including any public questions, petitions and motions, or other committees since the last meeting are listed here, with commentary and a proposed course of action, as appropriate:

Issue	
Referred from	
<i>Details</i>	
<i>Commentary/ Action Proposed</i>	

#### Part 5: Proposed additions and amendments to the work programme since the last meeting:

Item	Proposed Date	Note
Annual Governance Statement	February 2024	
Introduction and Audit Plan	March 2024	
Formal Response to Audit (ISA 260) Recommendations	March 2024	
Statement of Accounts 2022/23 (Audited)	April 2024	
Report of those Charged with Governance (ISA 260)	April 2024	
Community Schools Update	April 2024	

#### Part 6: Audit & Standards Committee Work Programme for municipal year 2023/24:

Date	Item	Author
June 2023	Audit Training	External Facilitator (TBC)
22 June 2023	Internal Audit Tactical Plan 23/24	Linda Hunter (Senior Finance Manager)

Audit and Standards Work Programme 2023-24- Working Copy

	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)
	Role of the Audit Committee and Training	Claire Sharratt (Senior Finance Manager)
	Update on Improvement Plan and Annual Complaints Report 22/23	Corleen Bygraves-Paul (Service Delivery Manager, Customer Services)
	Work Programme	David Hollis (Interim General Counsel/Monitoring Officer)
21 September 2023	External Audit Plan 2021/22	External Auditor (EY)
	Annual Internal Audit Report	Linda Hunter (Senior Finance Manager)
	Statement of Accounts 2021/22 (Audited)	Philip Gregory (Director of Finance and Commercial Services)
	Interim Standards Complaints Report (Half Yearly)	David Hollis (Interim General Counsel/Monitoring Officer)

Audit and Standards Work Programme 2023-24- Working Copy

	Work Programme	David Hollis (Interim General Counsel/Monitoring Officer)
19 October 2023	Workshop to Review Members' Code of Conduct and Complaints Procedure	
19 October 2023	Information Management Annual Report & ICO Audit	Sarah Green (Senior Information Management Officer)
	Work Programme	David Hollis (General Counsel/Monitoring Officer)
23 November 2023	Review of Members' Code of Conduct and Complaints Procedure	David Hollis (General Counsel/Monitoring Officer)
	Annual Ombudsman Report & Update on 23/24 half yearly complaints performance and Complaints Service improvement plan	Corleen Bygraves-Paul (Service Delivery Manager, Customer Services)
	Fargate Containers	David Hollis (General Counsel/Monitoring Officer)
	Work Programme	David Hollis (General Counsel/Monitoring Officer)
11 January 2024	Cancelled	
1 February 2024	Audit Recommendation Tracker Progress Report	Linda Hunter (Senior Finance Manager)
	Annual Governance Statement	David Hollis (General Counsel/Monitoring Officer)
	Work Programme	David Hollis (General Counsel/Monitoring Officer)
	Strategic Risk Reporting	Helen Molteno (Corporate Risk Manager)
21 March 2024	Whistleblowing Policy Review	Elyse Senior-Wadsworth (Head of Human Resources)

Audit and Standards Work Programme 2023-24- Working Copy

	Annual Standards Report	David Hollis (General Counsel/Monitoring Officer)
	Complaints performance and complaints Service improvement plan	Corleen Bygraves-Paul (Service Delivery Manager, Customer Services)
	Formal Response to Audit (ISA 260) Recommendations	Philip Gregory (Director of Finance and Commercial Services)
	Introduction and Audit Plan	KPMG (External Auditor)
	Work Programme	David Hollis (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)
	ICO recommendations progress update	Sarah Green (Senior Information Management Officer)
	Statement of Accounts 2022/23 (Audited)	Philip Gregory (Director of Finance and Commercial Services)
	Report of those Charged with Governance (ISA 260)	External Auditor (EY)
	Community Schools Update	Andrew Jones (Director of Education and Skills)
	Work Programme	David Hollis (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 (General Counsel/Monitoring Officer)

## IMPORTANT INFORMATION FOR REPORT WRITERS

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

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

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

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

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

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

Use standard format - don't subvert it.

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

The report should include –

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

**(report templates are available from Democratic Services)**



## Audit and Standards Committee Report

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**Report of:** Director of Finance and Commercial Services,  
Resources

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**Date:** 1st February 2024

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**Subject:** Strategic Risk Management

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**Author of Report:** Helen Molteno, Internal Audit and Corporate Risk  
Manager

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### Summary:

The attached presentation is an assessment of:

- The Council's current risk management arrangements and the measures implemented to further strengthen and improve them
- The current and emerging risks, their impact on service delivery and the controls in place to manage them

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**Recommendations:** That Audit & Standards Committee:

- Note the current assessment of the Council's risk management arrangements and endorse the measures being taken to strengthen those arrangements.
- Note the current and emerging risks and endorse the actions being taken to mitigate those risks.

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**Background Papers:** none

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**Category of Report:** Closed

The report is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

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## Statutory and Council Policy Checklist

<b>Financial Implications</b>
YES/NO      Cleared by:
<b>Legal Implications</b>
YES/NO      Cleared by:
<b>Equality of Opportunity Implications</b>
YES/NO      Cleared by:
<b>Tackling Health Inequalities Implications</b>
YES/NO
<b>Human Rights Implications</b>
YES/NO:
<b>Environmental and Sustainability implications</b>
YES/NO
<b>Economic impact</b>
YES/NO
<b>Community safety implications</b>
YES/NO
<b>Human Resources implications</b>
YES/NO
<b>Property implications</b>
YES/NO
<b>Area(s) affected</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

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

Document is Restricted

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