

Audit and Standards Committee

Meeting held 18 February 2021

PRESENT: Councillors Sioned-Mair Richards (Chair), Simon Clement-Jones (Deputy Chair), Angela Argenzio, Adam Hurst, Mohammed Mahroof, Dianne Hurst and Howard (Independent Co-Opted Member)

Also in attendance was David Waxman (Independent Person)

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1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillor Josie Paszek and Jo Cairns (Independent Person)

2. EXCLUSION OF THE PRESS AND PUBLIC

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

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest made.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 21st January 2021 were approved as a correct record.

5. CHALLENGES FACING EXTERNAL AUDIT NATIONALLY

5.1 Dave Phillips (Head of Strategic Finance) presented the report which gave details of the current challenges in delivering external audit (EA) by all audit providers across the public sector.

5.2 The challenges included increased regulatory requirements, shorter timetables, lower resources and the impact of Covid. The impact of the resources meant more pressure on local authority staff and mitigation would be required.

5.3 Dave Phillips introduced Janet Dawson who had recently taken over as the Council's partner at Ernst and Young (external auditor).

5.4 Janet informed Committee that they were currently working through the Redmond Report to see what would be put into place. There were a limited number of

providers and less investment due to a reduction in fees and complex reporting requirements. There was a need for qualified staff.

5.5 Discussions were underway to understand the fee regime and tenders going forwards. Talks were also underway with CIPFA about what needed to be reported and Ernst and Young were working closely with key stakeholders.

5.6 **RESOLVED:-** That the report be noted.

6. UPDATE ON THE ANNUAL AUDIT PROGRESS

6.1 Janet Dawson informed Committee that she had taken over as the Lead Partner for Sheffield City Council at Ernst and Young and was currently reviewing files and trying to ensure a seamless transfer. It was hoped to report back to the Audit and Standards Committee in April.

6.2 Hayley Clark (Ernst and Young) explained that a review process was currently underway to ensure that the new Lead Partner was comfortable with the previous audit. A small team would come back in March to close down queries on the audit. There was a need to check the financial statement and a query on fixed assets.

6.3 It was hoped that all accounts work would be completed in time for the meeting on 15th April and it was hoped to bring the delegations to the meeting to be held on 18th March 2021.

6.4 Councillor Mohammed Mahroof commented that external audit was under many pressures and there were concerns regarding fixed asset valuations for councils which were out of step.

6.5 Dave Phillips noted that the auditors had spent a lot of time on fixed asset valuations, especially Heart of the City II. The project was being well managed and could be slowed down, or even paused and was a mix of office, retail, hospitality and housing.

6.6 Councillor Simon Clement-Jones asked what the risks were for not getting the audit signed off by the deadline. Dave Phillips explained that the consequences were small and mainly reputational. It may cause lenders to be less willing to lend to the council. There were many other councils in the same situation. The biggest risk was in catching up next year.

6.7 Janet Dawson agreed and explained that the external auditors would look at priority audits first, with continuity of staff. It was hoped to take a more digital approach if the Council and its systems allowed.

6.8 The Chair suggested that a letter be sent to the LGA to ask them to make representation to the Government outlining the concerns regarding the current national situation with regard to external audit.

- 6.9 **RESOLVED:-** That (1) the update be noted; and
(2) the Assistant Director of Finance draft a letter to the LGA outlining the concerns regarding the current national situation with regard to external audit.

7. INTRODUCTION OF KATE JOSEPHS, CHIEF EXECUTIVE

- 7.1 The Chair welcomed Kate Josephs, the new Chief Executive of Sheffield City Council, to the meeting.
- 7.2 Kate Josephs welcomed the opportunity to speak to the Committee and the work done so far on the Members Code of Conduct and the willingness of Members to reflect on the new Model Code published by the LGA.
- 7.3 At the heart of the model code was a connection to the Nolan Principles which rang true at Sheffield City Council.
- 7.4 It was important that the Code continuously reminded Members of the adherence to the principles and would enable Members to call out with kindness where those principles were not being upheld.
- 7.5 Kate also welcomed a commitment to training from Members which would also help to build relationships.

8. MODEL CODE OF CONDUCT AND CODE OF CONDUCT TRAINING FOR MEMBERS

- 8.1 Gillian Duckworth, Monitoring Officer, presented the report and explained that although the Council's current Code of Conduct had only recently been approved by Council, the LGA had now published a Model Code of Conduct which councils could use.
- 8.2 The current code, along with the model code were attached to the report so that Members could compare. The LGA Model Code had also been sent to the Council's Independent Persons for them to review and their comments were included within the report.
- 8.3 David Waxman (Independent Person) commented that there were a number of complaints around the use of social media and noted that whilst the code was signed by Members, there were a number of supplements which should also be signed. The Model Code would also benefit from referring to Members and Co-Opted Members throughout.
- 8.4 Councillor Adam Hurst felt that £50 limit for gifts and hospitality was too high and the Chair explained that the current Sheffield City Council limit was £10, in line with officers, and that it should remain at that level.
- 8.5 Councillor Angela Argenzio stated that she preferred the wording in the first

person used in the model code as it felt more positive. The model code was very similar in substance to the Council's code, but the SCC code section was stronger on bullying. It was important that the Members Code reflected the Officer Code. Guidance was needed on the new challenges of broadcasting meetings and social media and training was required on how to keep yourself safe.

- 8.6 Councillor Dianne Hurst agreed that the wording in the first person was good and it felt like an affirmation.
- 8.7 The Chair agreed that personal safety training for Members was important, as was working in a political environment training for Members. Councillor Angela Argenzio agreed and also felt that officers should be reminded to treat all Members the same and provide the same information to all Members regardless of political party.
- 8.8 Kate Josephs, Chief Executive, said that as an organisation of 8,000 officers, a strong robust offer of training needed to be available. If officers were not being impartial, Members needed to let the Chief Executive know.
- 8.9 Gillian Duckworth, Monitoring Officer, reminded Members that there were links to the LGA training offer to Members via their Office 365 accounts. The LGA had training and support regarding Councillor Safety. This could also be raised with the Group Whips to look at providing to Members.
- 8.10 The Chair noted that there was a need for councillors to develop skills as well as represent people. There were merits on both codes and officers should look at finding the best bits from both codes and use the style of the LGA Model Code. Gifts and Hospitality should stay at £10.
- 8.11 **RESOLVED:-** That officers compare the Sheffield City Council Code and the LGA Model code and bring a new version back to the next meeting of the Audit and Standards Committee for consideration.

9. ANNUAL OMBUDSMAN COMPLAINTS REPORT 2019/20

- 9.1 The Chair reminded Members that this Ombudsman Annual Report was for the year 2019/20 and as such would not include the 2 Ombudsman Public Reports from 2020.
- 9.2 Paul Taylor (Head of Customer Services) apologised for the lateness of the report which was due to the impact the pandemic had had on customer services and that for the first time, there were 2 annual reports. It was hoped to bring the 2020/2021 report to Committee in December. The Ombudsman had been very understanding of the pressures facing councils during the pandemic.
- 9.3 Jenny Callaghan, Operations Manager, informed Committee that the Council had dealt with over 2000 formal complaints during the 2019/2020 year and only 143 complaints had been escalated to the Local Government Ombudsman and 58 to the Housing Ombudsman. This was a reduction on the previous year.

- 9.4 The service areas with the largest numbers of complaints were Adult Social Care, Housing and Neighbourhoods. The majority were concluded without formal investigation.
- 9.5 Only 29% of Local Government Ombudsman complaints had been responded to within the time limit of 20 days, however, the situation with the Housing Ombudsman was more positive, even though the time limit was only 15 days.
- 9.6 The Local Government Ombudsman had made only 1 public report in 2019/20 which was around blue badges and the failure to carry out face to face mobility assessments. The Council had showed learning and changed procedures before the report was published.
- 9.7 £20,017 had been paid out in compensation. This was comparable with other local authorities and the Council had a 100% compliance rate with recommendations and orders.
- 9.8 There were added challenges this year due to the pandemic and this had impacted on response times. The department had been trying to proactively make contact with those responsible for supplying information and response times had been discussed at EMT. A self assessment of complaint handling had been carried out and this was published on the website.
- 9.9 A new complaint module was being built in the Customer Relations Management (CRM) system which would provide an opportunity to relaunch guidance and training for officers.
- 9.10 Councillor Adam Hurst requested that a report on general complaints to the Council be brought to Committee and asked how informal complaints to the Council were recorded. Paul Taylor said that an opportunity to bring a report on general complaints would be welcomed. There was an inconsistency on how informal complaints were recorded and it may be necessary to revisit. Jenny Callaghan informed Committee that Housing and Repairs kept records of informal complaints which could be built on.
- 9.11 Councillor Angela Argenzio expressed disappointment that departments were poor at submitting evidence on time and there was a need to look for solutions. The Council should be aiming to receive no complaints and it was disappointing that those who were the most vulnerable were facing the most difficult complaints. The website also did not make it easy to complain.
- 9.12 Paul Taylor explained that the complaints project gave an opportunity to review the complaints system in place. There had been a delay in refreshing the website, but this would be done in the next few months. Digital Services had also been under pressure.
- 9.13 Councillor Simon Clement-Jones noted that Education Healthcare Plans (EHC) featured frequently in the Ombudsman complaints and there was also anecdotal evidence that they were quite difficult to access and requested a report to the next

Committee on EHC's and lessons learned.

9.14 The Chair asked whether Members and the public would be asked to comment on the new complaint process. Paul Taylor agreed that it would be really helpful. The mapping had been completed and it was now necessary to look at ease of use. A report could be brought back to Committee.

9.15 **RESOLVED:-** That (1) the report be noted;

(2) A report on Education Healthcare Plans be submitted to the next meeting of the Audit and Standards Committee.

10. WORK PROGRAMME

10.1 The next meeting of the Audit and Standards Committee would look at:

Education Healthcare Plans
Universal Credit Update
Member Code of Conduct
Progress on Code of Conduct Training
An Update from Ernst and Young

10.2 It would be requested that the Whistleblowing Policy Update be brought to the next meeting of Committee, if possible.

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

(2) changes to the work programme be made as detailed above.

11. DATES OF FUTURE MEETINGS

11.1 Future meetings of the Audit and Standards Committee would be held on:

Thursday 18th March 2021
Thursday 15th April 2021
Thursday 10th June 2021
Thursday 29th July 2021