

Agenda Item 5

SHEFFIELD CITY COUNCIL

Audit and Standards Committee

Meeting held 17 October 2024

PRESENT: Councillors Fran Belbin (Deputy Chair), Simon Clement-Jones, Matthew Dwyer, Dianne Hurst, Maroof Raouf and Gareth Slater, and James Brackley (Independent Co-Opted Member)

21. CHAIR OF THE MEETING

21.1 In the absence of the Chair of the Committee (Councillor Mohammed Mahroof), the meeting was chaired by the Deputy Chair (Councillor Fran Belbin).

22. APOLOGIES FOR ABSENCE

22.1 Apologies for absence were received from Councillor Mohammed Mahroof (Chair of the Committee) and Alison Howard (Independent Co-Opted Member).

23. EXCLUSION OF THE PRESS AND PUBLIC

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

24. DECLARATIONS OF INTEREST

24.1 There were no declarations of interest.

25. MINUTES OF PREVIOUS MEETING

25.1 **RESOLVED:** The minutes of the meeting held on 19 September, 2024 were approved as an accurate record.

26. PUBLIC PETITIONS, QUESTIONS AND STATEMENTS

26.1 No public questions or petitions were received.

27. INFORMATION GOVERNANCE ANNUAL REPORT

27.1 The Committee received a report from the Senior Information Management Officer and Data Protection Officer (Sarah Green) that gave an overview of the information governance arrangements and performance at Sheffield City Council for the financial year 2023/24.

27.2 The aim of the report was to provide an overview of the information governance arrangements of Sheffield City Council for the financial year from 2023-2024, and to provide assurance around the policies, practices and processes to meet the legal requirements. Information governance was subject to laws, regulations and recommended codes of practice, and the Council was required to demonstrate its compliance to the public and partner agencies and regulators. The Council

assessed, monitored and mitigated risk via specific governance roles across the organisation, the Information Governance Board, and a working group that identified governance requirements and develop and embed appropriate procedures.

- 27.3 Data protection compliance was a key priority for Sheffield City Council and was logged on a Risk Register that was actively monitored to ensure good practice was embedded across the Council. The Council had a dedicated team to ensure that Subject Access Requests (SARs) were logged and actioned appropriately and promptly by specialist officers. Timeliness of responses remained a priority for the Council, which had led to the appointment of additional staff and investment in new technology to reduce the administrative burden of redacting records. The Council also had a dedicated team ensuring that Freedom of Information Requests (FOIs) and Environmental Information Requests were actioned appropriately, liaising with teams across the Council to locate and collate records within the legal deadline. The relevant Directors and Heads of Service had oversight of requests to offer additional support in compliance. The Information Governance team provided advice and guidance on exceptions and exemptions, and provided responses to customers.
- 27.4 Further training had been offered to staff across the organisation that supported FOI requests. New technology was available to track and monitor request 'journeys'.
- 27.5 The Council was committed to openness and transparency and published as much information as possible, using Data Mill North and ARC GIS platforms.
- 27.6 Information security was taken very seriously, and the Council was committed to ensuring there were robust technical and organisational procedures in place to ensure compliance in keeping personal data secure and confidential. There was a reporting process for security incidents, where the Information Governance team would risk assess and mitigate, and provide learning outcomes to Directors/Heads of Service where appropriate.
- 27.7 In July 2023, the Investigatory Powers Commissioners Office carried out their three-yearly inspection of the Council, and they were satisfied with its handling of Regulation of Investigatory Powers Act 2000 requests. Information governance risks and issues were logged on a Risk Register. These were reviewed and addressed quarterly and brought to the attention of senior leaders. A significant amount of work had been carried out to monitor cyber security and the threats to securing the Councils assets from attack. A Cyber Taskforce had been created to monitor active cyber-attacks and trends.
- 27.8 The Council continued to provide advice on records management, such as providing retention of information schedules and support across the organisation on how to manage and store information in order to keep it safe. Training of staff in data protection was a key priority, via yearly mandatory training and by holding role specific sessions.
- 27.9 Members of the Committee asked questions and the following responses were

provided: -

- In relation to Appendix C2 of the report (Summary of Personal Data Breaches Submitted to the Information Commissioner's Office (ICO)), it was advised that new systems were in place to improve communications between different Council services by ensuring that flagging on a system was replicated across teams.
- Data breaches mainly occurred due to human error, and as such there was no particular pattern to breaches. There had been five significant breaches which, put in the context of the amount of information process throughout the Council, was small and showed that staff took compliance seriously.
- A phone 'app' was being considered to assist with training of staff who did not have an office base or laptop to access data protection training.
- Data breaches reported to the ICO included a robust report and explanation of what mitigation measures had been taken, with updates when available. An outcome of 'no further action' provided assurance that appropriate action had been taken.
- The ICO set a target of 90-95% requests responded to within the deadline, and the Council had set this at 95% compliance. To support this, a 'power app' was in place to track requests, identify any 'blockers', and feed into the report to help pinpoint what further information was required. This flagging system helped to provide an understanding of why responses were late, and built in mitigation immediately.
- Data protection training provided an understanding and awareness for staff on when and how to report security incidents.
- The personal data breach information within the report was a summary only.
- SARs and FOIs were processed by different teams. SAR requests often required thousands of records to be searched and redacted, which could explain why compliance was lower for these requests. The new redaction software was expected to reduce officer time in collating and bundling records.
- The Information Governance teams were highly trained at handling social care records and understanding redactions. High risk matters were escalated as appropriate.
- The amount of data breaches for Sheffield City Council had not been compared with other core cities, but this could be considered for future reporting.
- Directed surveillance authorisations were noted in the report and included renewals as well as applications. These applications related mainly to regulatory licensing activity, such as 'mystery shoppers'.

- All FOI requests had to be responded to. Non-compliance could be due to a response being provided late, or where a customer had challenged an exemption (ie refusal). FOI responses were made public, and exemptions were in place to protect personal data where necessary. The Council aimed to proactively disclose as much information as was possible.
- It was confirmed that senior leadership were informed and understood the importance of compliance, and that the Information Governance team had a strong relationship with colleagues at the ICO.
- It was confirmed that oversight of FOI requests were within the remit of the Finance Policy Committee.

27.10 **RESOLVED:** That the Audit and Standards Committee notes the Information Governance Annual Report.

28. INTERNAL AUDIT ANNUAL FRAUD REPORT

28.1 The Committee received a report from the Senior Finance Manager (Stephen Bower) which informed the Audit and Standards Committee of the outcomes of the work undertaken by Internal Audit on fraud and corruption during 2023/24, and the proposed work for 2024/25.

28.2 The report had been prepared for the meeting of the Committee scheduled to take place on 25 July 2025 that had been cancelled.

28.3 It was noted that the report contained appendices and a checklist to help members understand fraud risks and how they were managed. The report also contained a number of amended policies that were available to help staff understand fraud risk. The Council advocated a zero-tolerance approach to fraud, however was still susceptible to fraud, and specific policies were in place to help deal with fraud.

28.4 It was also noted that the Anti-Fraud and Corruption Policy Statement and Framework outlined the Council's approach to preventing fraud, by identifying risks and strategies to mitigate them. This incorporated key points from the Council's Constitution, Members and Officers Code of Conduct and the Council's values and goals. The aims of the policy were: -

- To ensure the correct governance arrangements were in place and training of staff to ensure appropriate oversight of staff;
- To acknowledge the risks that the Council faces and communicate these effectively;
- To put in place anti-fraud systems and processes to ensure appropriate checking of applications; and
- To provide resources to pursue fraud in a consistent manner.

28.5 Members of the Committee asked questions and the following responses were

provided: -

- A new version of Fraud E-learning had been introduced in 2023. This training had been offered to all staff but was mandatory for managers only.
- The Council worked with other core cities, and other professional bodies such as the Cabinet office and the Department of Work and Pensions.
- Managers were expected to play a part in quality control relating to procurement.
- Officers were constantly 'horizon scanning' on key fraud areas, regularly attended training courses and received regular national body updates. The National Crime Agency and City of London Police highlighted fraud issues as they arose. There were two levels of reporting fraud: some applications might be a genuine error and would be rejected immediately, and others would require audit checks. The appropriate investigations and sanctions would be made whenever there was a report of fraud.
- Internal audits considered recent risk areas and also carried out checks on 'back catalogue' areas of risk.
- Officers met with core city colleagues on a regular basis to compare and update on areas of fraud risk.
- Timesheet fraud was a relatively low level of fraud, often linked into other issues and could be difficult to prove. As such, detailed information on this fraud activity was not available.

28.6 **RESOLVED:** That the Audit and Standards Committee:

- a) notes the content of this report;
- b) notes that the Council's policies in relation to fraud and corruption have been reviewed and fulfil the required governance arrangements for the Council; and
- c) notes the completed checklist for those responsible for governance (Appendix A).

29. WHISTLEBLOWING POLICY REVIEW

29.1 The Committee received a report from the Director of People and Organisational Culture which updated the Committee on the review of the Council's Whistleblowing Policy and application.

29.2 Claire Baker-Donnelly (HR Manager) and Jasmine Watkins (HR Policy Manager) were in attendance for this item.

29.3 It was noted that whistleblowing policies were important in order to give

employees within an organisation safe passage and security when making disclosures. The annual report aimed to allow any intelligence, trends or issues to be considered.

29.4 During 2023/24, three whistleblowing complaints were received: one had led to an investigation and subsequent recommendations agreed and actioned, one was resolved without the need for investigation, and one was ongoing.

29.5 A clear and updated suite of policies, including whistleblowing, was being developed.

29.6 Members of the Committee asked questions and the following responses were provided: -

- The updated whistleblowing policy would include the legal definition of a protected disclosure, and complaints that did not meet this threshold would be redirected accordingly.
- 'Open Door' was an anonymous reporting procedure available to Sheffield City Council employees via the Intranet.
- No trends had been noted across the three protected disclosures accepted during 2023/24.

29.7 **RESOLVED:** That the Audit and Standards Committee:

- a) supports the clarifications set out in the report in relation to Whistleblowing and wider HR Policy;
- b) acknowledges that alongside the Whistleblowing Policy, the Council is working to improve the levels of engagement to ensure our workforce can and do raise concerns; and
- c) notes the future reporting of Whistleblowing into the Assurance Board.

30. ANNUAL INTERNAL AUDIT REPORT

30.1 The Committee received a report of the Senior Finance Manager, Internal Audit (Linda Hunter) that highlighted the work that had been undertaken by Internal Audit during the year, recorded internal audit performance indicators, and gave an overview of control indicators within Sheffield City Council.

30.2 The Committee were advised that, from the work undertaken by Internal Audit during the year, the Senior Finance Manager, Internal Audit, was satisfied that the risk management, governance and internal control framework were adequate to allow the Council to conduct its business appropriately. An overall reasonable (positive) assurance opinion was given for the year.

30.3 The 2023/24 Internal Audit Plan included 98 audits, of which 90 had been delivered, indicating that the target of 90% had been achieved.

- 30.4 The end of year opinion placed reliance on assurance provided from other parties and processes, for example the Annual Governance Statement and assurance from the work of the External Auditors.
- 30.5 It was confirmed that four out of the five performance targets had been achieved; the 'number of days of business partnering activity delivered by year end' was short of the target by 10 days.
- 30.6 The performance across different areas of the Council was noted, including the reviews that were 'work in progress'.
- 30.7 A dashboard summary of the outcomes from the Main Financial Systems audits was shown at Appendix 'D' of the report.
- 30.8 Additionally, 34 pieces of productive work had been carried out that did not generate an opinion. This included six pieces of follow-up work, 24 grant sign-offs, three consultancy pieces of work and the production of the Statement of Financial Values Standards in Schools.
- 30.9 It was noted that the Global Internal Audit Standards released in January 2024 would come into effect from January 2025, and the Internal Audit team were reviewing these to ensure compliance.
- 30.10 Members of the Committee asked questions and following responses were provided: -
- Main financial systems were examined, as well as any part changes to systems.
 - The 'Council Tax – Care Leavers' action had been on an advisory basis, and no opinion had been given.
 - The recommendations tracker considered the 'no assurance' and 'limited assurance' opinions and was brought to the Committee every 6 months. These were removed once satisfactory actions had been implemented. 'Substantial' and 'other' assurances could be included in future reports if required.
- 30.11 **RESOLVED:** That the Audit and Standards Committee notes the content of this report and the opinion of the Senior Finance Manager.

31. WORK PROGRAMME

- 31.1 The Committee considered a report of the General Counsel/Monitoring Officer that outlined the work programme for the remainder of the municipal year. Members were asked to approve the programme and identify any further items for inclusion.
- 31.2 **RESOLVED:** that the Audit and Standards Committee notes and agrees to the

above changes to the work programme.

32. DATES OF FUTURE MEETINGS

- 32.1 It was noted that the next meeting of the Committee would be held on 21 November, 2024 at 5.00pm.