Audit Committee

Thursday 8 January 2015 at 6.00 pm

To be held at the Town Hall, Pinstone Street, Sheffield, S1 2HH

The Press and Public are Welcome to Attend

Membership

Councillors Ray Satur (Chair), Joe Otten (Deputy Chair), John Campbell, Rob Frost, Josie Paszek and Sioned-Mair Richards.

Independent Co-opted Members

Rick Plews and Liz Stanley.

Sheffield
City Council

PUBLIC ACCESS TO THE MEETING

The Audit Committee is a key part of the Council's corporate governance arrangements. The Committee has delegated powers to approve the Council's Statement of Accounts in accordance with the Accounts and Audit Regulations 2003 and consider the Annual Letter from the Auditor in accordance with the Accounts and Audit Regulations 2003 and to monitor the Council's response to individual issues of concern identified.

A copy of the agenda and reports is available on the Council's website at www.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 Audit Committee meetings 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 Dave Ross in Democratic Services on 0114 273 5033 or email dave.ross@sheffield.gov.uk.

FACILITIES

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

Order of Business

1. **Welcome and Housekeeping Arrangements**

2. **Apologies for Absence**

3. **Exclusion of Public and Press**
   To identify items where resolutions may be moved to exclude the press and public.

   (Note: The report at item 6.1 (Update on Progress in Addressing the Recommendations from the Adult Social Care Management Review) is not available to the public and press because it contains exempt information described in Paragraphs 2 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, namely information which is likely to reveal the identity of an individual (Paragraph 2) and information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the Council or a Minister of the Crown and employees of, or office holders under, the Council (Paragraph 4).

4. **Declarations of Interest** (Pages 1 - 4)
   Members to declare any interests they have in the business to be considered at the meeting.

5. **Minutes of Previous Meeting** (Pages 5 - 12)
   To approve the minutes of the meeting of the Committee held on 13 November 2014.

6. **Adult Social Care Management Review**

6 a **Update on Progress in Addressing the** (Pages 13 – 48)
   Recommendations from the Adult Social Care Management Review
   Joint report of the Interim Executive Directors of Resources and Communities.

   (Note: This report is not available to the public and press because it contains exempt information described in Paragraphs 2 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended)

6 b **Wider Corporate Systems Implications Arising from the** (Pages 49 – 56)
   Adult Social Care Management Review
   Report of the Interim Executive Director, Resources.

7. **Progress Report on the Recommendations from the External Auditor's ISA 260 Report**
Report of the Interim Executive Director, Resources.

8. **Progress Report on the Annual Governance Statement 2013/14**
Report of the Interim Director of Legal and Governance.

9. **Progress on High Opinion Audit Reports**
Report of the Interim Director of Finance.

10. **Work Programme**
Report of the Interim Director of Legal and Governance.

11. **Dates of Future Meetings**
To note that meetings of the Committee will be held at 6.00 p.m. on:-

- 12 February 2015 (additional meeting if required)
- 12 March 2015 (additional meeting if required)
- 9 April 2015

ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

If you are present at a meeting of the Council, of its executive or any committee of the executive, 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 <u>not</u>:

- 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 Gillian Duckworth, Interim Director of Legal and Governance on 0114 2734018 or email gillian.duckworth@sheffield.gov.uk.

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SHEFFIELD CITY COUNCIL

Audit Committee

Meeting held 13 November 2014

PRESENT: Councillors Ray Satur (Chair), Joe Otten (Deputy Chair), John Campbell and Sioned-Mair Richards.

Co-opted Independent Members
Rick Plews.

Officers in attendance
Eugene Walker (Interim Executive Director, Resources)
Laura Pattman (Assistant Director of Finance, Business Partnering and Internal Audit)
Kayleigh Inman (Senior Finance Manager, Internal Audit)
Sue Sunderland (Director KPMG)
Edward Highfield (Director of Creative Sheffield)
Daniel Ladbury (Assistant Director of Capital and Major Projects)
Dave Caulfield (Director of Regeneration and Development Services)
Paul Fell (Parking Services Manager)
Richard Garrad (Corporate Risk Manager)
Gillian Duckworth (Interim Director of Legal and Governance)
Dave Ross (Principal Committee Secretary)

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1.   APOLOGIES FOR ABSENCE

1.1   Apologies for absence were received from Councillor Josie Paszek and Liz Stanley.

2.   DECLARATIONS OF INTEREST

2.1   There were no declarations of interest from members of the Committee.

3.   MINUTES OF PREVIOUS MEETING

3.1   The minutes of the meeting of the Committee held on 25 September 2014 were approved as a correct record.

4.   INDEPENDENT REVIEW OF SOUTH YORKSHIRE DIGITAL REGION PROJECT

4.1   The Director of Creative Sheffield introduced a report of the Interim Executive Director, Resources that presented the findings from the independent review undertaken by KPMG of the South Yorkshire Digital Region Project and considered the implications and lessons learned. The report also provided an update on the close down of Digital Region. Appended to the report were the Review Report and the Cabinet report from September 2008. The review examined:

- The original business case
- Governance arrangements
- Information flows and decision making
- Risk management; and
- Procurement arrangements and specialist advice

4.2 The Director stated that the project risks were set out in the business case and the Council's analysis of those risks as part of the decision making process were felt to have been more robust than other stakeholder authorities. The key findings from the Review report had been accepted by the Leaders of the four South Yorkshire local authorities. In conclusion, the Council knowingly entered into considerable commercial risks. However, technological advances, market conditions and delays in obtaining European approvals all contributed to making the project fail commercially.

4.3 The Director of Creative Sheffield and Interim Executive Director, Resources responded to questions from members of the Committee.

4.3.1 On the issue of sales and marketing targets and why officers felt that the BT price would come down, the Director indicated that there were not enough major Internet Service Providers (ISPs) on the network and there were issues on the cost and difficulties with the equipment. At the time, officers felt close to signing a deal with a major ISP and that Ofcom would force BT to reduce its price. In respect of the involvement with Ofcom, the correspondence was kept by DRL Limited.

4.3.2 In terms of the lessons learnt and how these were being shared, the Director indicated that the Review Report had been discussed by the South Yorkshire Leaders and the conclusions from the consideration by the other South Yorkshire Audit Committees could be circulated to members of this Committee. The Council's internal procedures, Programme Boards etc. would now apply different levels of rigour to that in 2007. The Interim Executive Director stated that an immediate lesson had been learnt with regard to the BDUK broadband programme in that the Council was not taking the risk.

4.3.3 In response to a question on Member involvement in the decision making process, the Director indicated that the key decisions were taken by Members and there were Cabinet Member briefings. However, there could have been more Member briefings during the trading period. The Interim Executive Director added that the project started with high level involvement of the Leader and the Chief Executive but during the mid-part of the project there was not clear Cabinet Member leadership.

4.3.4 A Member asked if there was any course of action that could have saved the project. The Interim Executive Director indicated that there had been sufficient attempts to seek to save the project.

4.3.5 A member asked how the lessons learned would be applied to ensure they did not recur. The Interim Executive Director indicated that safeguards were in place,

there was an improved Commercial Services function and prioritisation of projects. At the time of the Digital Region project, advice was given and decisions taken. That process has since been strengthened, particularly in dealing with risk. It was not possible to entirely close off the possibility of taking a risky decision but any risks would be carefully assessed. There would also be very tight arrangements for setting up any future arm's length company.

4.3.6 In response to further questions, the Interim Director of Legal and Governance stated that the Directors of Legal Services in the four South Yorkshire local authorities worked together and were now aware what was taking place on joint projects. For example, on the BDUK broadband project all the authorities had obtained legal advice and understood the risks and liabilities and there was an Inter-Authority agreement. It may be possible to include a requirement in future agreements that there was consideration by all the authorities' Audit Committees. The Interim Executive Director added that they had tried to have a standard reporting template for Digital Region but it was reported differently as each Council had its own governance arrangements. Joint projects in the future would be via the Combined Authority and this would ensure consistency. That Authority also had its own Audit Committee.

4.3.7 In terms of the recommendations in the review report, the Interim Executive Director highlighted the need to ensure Cabinet Member and senior officer ownership and devolving responsibility to a Special Purpose Vehicle.

4.3.8 Members of the Committee made the following points:

- There was a need to keep a central record of the lessons learned.
- Progress reports on joint projects should be considered by the local authorities at the same time.
- There should be the same accountability procedures in each authority and they should have the same degree of rigour and robustness.

4.4 **Resolved**: That the Committee:-

(a) notes the report and comments now made on the wider implications and lessons learned from the independent review report on the Digital Region South Yorkshire Broadband Project; and

(b) requests that the conclusions on the review report from the other 3 South Yorkshire Councils' Audit Committees are circulated to members of this Committee for information.

5. REVISED APPROACH FOR CAPITAL DELIVERY AND REPORTING

5.1 Following a request from the meeting of the Committee on 17 July 2014, the Assistant Director of Capital and Major Projects introduced a report of the Executive Director, Place that provided an overview of the progress that had been achieved to date in improving the delivery and management of the capital programme and summarised the key works that were in development to further improve the delivery of the capital programme.

5.2   The Assistant Director gave details of the progress achieved to date on the Capital Delivery Partner, Project Delivery Process, Capital Gateway Process and the three year Capital Improvement Plan. He also outlined the ongoing and planned improvements in respect of the Capital Programme Office, Capital Delivery Service Restructure, Capital Project Reporting and Monitoring and the consolidation of delivery teams.

5.3   The Assistant Director and Interim Executive Director, Resources responded to questions from members of the Committee

5.3.1   On whether the improvements were over–processed, the Assistant Director indicated that it was difficult to monitor performance without processes and the aim was to streamline and rationalise those processes and build in rigour.

5.3.2   A member asked why the consolidation of delivery teams had not taken place. The Assistant Director stated that a number of internal and external audit reviews had recommended consolidation. However, one of the difficulties had been for services to place trust in a different model. A move to a strong sponsorship model and strong delivery team would help them to implement that change. The Interim Executive Director added that there was now consistent forecasting of financial spend and the Assistant Director was putting in place consistent processes and was on a steady improvement path. Over the last year this had been an area of Member and officer priority and information on the delivery of the capital programme was included in the monthly budget monitoring report to the Cabinet.

5.4   **Resolved**: That the Committee:-

(a)   notes the report and the progress that has been achieved to date in improving the delivery of the capital programme;

(b)   notes and supports the planned activity for implementing further and continual improvements in the delivery of the capital programme; and

(c)   requests the Interim Director of Legal and Governance to include progress in improving the delivery and management of the capital programme in the Annual Government Statement Progress Report to this Committeein January 2015.

6.   **EXCLUSION OF PUBLIC AND PRESS**

6.1   **Resolved:** That the public and press be excluded from the meeting before discussion takes place on the following items of business to be considered on the grounds that, if the public and press were present during the transaction of such business, there would be a disclosure to them of exempt information as described in Paragraphs 2, 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended:-

- Parking Services Audit Progress Against Outstanding Actions – Paragraph 2 relating to information which is likely to reveal the identity of an individual

and Paragraph 4 relating to information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the Council or a Minister of the Crown and employees of, or office holders under, the Council.

- Strategic Risk Management – Paragraph 3 relating to the financial or business affairs of any particular person, including the authority holding that information.

7. PARKING SERVICES AUDIT - PROGRESS AGAINST OUTSTANDING ACTIONS

7.1 The Director of Regeneration and Development Services introduced a report of the Executive Director, Place that provided an update on progress in addressing the outstanding actions identified in the 2014 follow up audit to the 2013 Internal Audit of Parking Services Income. The appendices to the report included the 2013 and 2014 Audit reports and an action tracker. The Parking Services Manager also attended the meeting for this item.

7.2 The Director explained that not all the recommendations from the 2013 audit had been implemented and there had been a maximum focus in addressing this and progress was set out in the action tracker. One of the lessons learnt had been that the audit process was critical to the business role of the service. He acknowledged that if the recommendations from the 2013 audit had been addressed then the service would not have had to deal with some of the subsequent issues.

7.3 The report also set out the change management process for Parking Services and the Director referred to the additional resources that had been invested to drive that process. The focus had been on the process, quality assurance and long term business needs of the service.

7.4 The Director reported on the positive progress that had been made but he acknowledged that more of the recommendations should have been actioned. Of the 18 recommendations identified in the follow-up report that had not been completed, ten had now been completed, six were on track to be completed in November/December and two had slipped but were due to be completed in early December 2014. He highlighted the significant amount of effort that had gone into dealing with the recommendations.

7.5 Officers responded to questions from members of the Committee.

7.5.1 The Director stated that the process for implementing the recommendations should have been undertaken quicker. Going forward, there was a quality assurance role and officers were driving the change process.

7.5.2 The Director indicated that officers had focussed on the high risk audit recommendations, how income was monitored and the trends. There was previously a focus on the day to day operation. Long term monitoring and a risk management plan had been put in place and there was a focus on areas

susceptible to fraud. In terms of the slow progress in implementing the recommendations, the Parking Services Manager indicated that when additional resources had been brought in there was faster progress. The Director added that it was about being clear as a manager what were the top priorities.

7.5.3   The Assistant Director of Finance (Business Partnering and Internal Audit) responded to a question on whether she was satisfied with the direction of travel. She stated that Internal Audit had not validated any of the information in the progress report in order to be satisfied that the follow up audit had been taken into account. She would have preferred that the recommendations in the 2013 audit report had been implemented in a timely fashion and should have been prioritised. The Director of Regeneration and Development Services commented that there had been ongoing dialogue with Internal Audit and regular briefings.

7.5.4   In respect of the Civil Enforcement Officers' handbook, the Director indicated that rather than just providing the handbook, it was about training and upskilling staff.

7.6   **Resolved**: That the Committee:-

(a)   notes the report and progress made to date on the outstanding actions from the follow-up audit of Parking Services Income;

(b)   endorses the actions of Regeneration and Development Services in the ongoing work to fully address the 2013 Parking Services Income Audit Report recommendations; and

(c)   notes that progress on the implementation of the audit recommendations would be included in the High Opinion Audit Tracker to be considered by the Committee at its meeting on 8 January 2015.

8.   STRATEGIC RISK MANAGEMENT

8.1   The Corporate Risk Manager submitted a report and gave a presentation that assessed:

- the Council's current Risk Management arrangements and the measures being implemented to further strengthen and improve those arrangements;

- the Risk Management trend analysis since the previous report to the Committee on 10 April 2014; and

- the current and emerging risks to delivery of the Council's strategic objectives and the controls in place to manage those risks.

8.2   Appended to the report was the Corporate Risk Management Plan for Quarter 1.

8.3   The Corporate Risk Manager responded to questions from members of the Committee relating to reputational risk and business continuity plans.

8.4   **Resolved**: That the Committee:-

(a)   notes the current assessment of the Council's Risk Management arrangements and endorses the measures being taken to strengthen those arrangements;

(b)   notes the improving trend in management of risks; and

(c)   notes the current and emerging risks and endorses the actions being taken to mitigate those risks.

9.   ANNUAL AUDIT LETTER 2013/14

9.1   The Director, KPMG submitted the Annual Audit Letter 2013/14 that summarised the key findings from their 2013/14 audit of the Council's Financial Statements and Value for Money conclusion. She also suggested submitting a report to the Committee on progress with the audit and non-audit work undertaken by KPMG.

9.2   **Resolved**: That the Committee:-

(a)   notes the contents of the Annual Audit Letter 2013/14; and

(b)   requests the Director, KPMG to submit a progress report on audit and non-audit work to the January 2015 meeting of the Committee.

10.   WORK PROGRAMME

10.1   The Interim Director of Legal and Governance submitted a report providing details of the Committee's work programme to April 2015.

10.2   **Resolved**: That the Committee approves the work programme with the addition of (a) an External Audit Progress Report in January 2015 and (b) consideration of any issues arising from report on the Assessment of Child Sexual Exploitation Services in Sheffield at a future meeting of the Committee.

11.   DATES OF FUTURE MEETINGS

11.1   It was noted that meetings of the Committee would be held at 6.00 p.m. on:-

- 11 December 2014 (additional meeting if required)
- 8 January 2015
- 12 February 2015 (additional meeting if required)
- 12 March 2015 (additional meeting if required)
- 9 April 2015

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Sheffield City Council

Audit Committee Report

REPORT OF	**Director of Resources**	**DATE** 8/1/2015
SUBJECT	**Wider Corporate Systems Implications Arising from the Adult Social Care (ASC) Management Review**	
SUMMARY	This report summarises work undertaken by both internal and external audit, and Business Strategy to consider the wider implications of the ASC management review on the corporate systems on the Council.	

RECOMMENDATIONS

FINANCIAL IMPLICATIONS CLEARED BY	**No** **Laura Pattman**	**PARAGRAPHS**

BACKGROUND PAPERS

CONTACT POINT FOR ACCESS	**Laura Pattman**	**TEL NO.** **273 5763**

CATEGORY OF REPORT

Open

Statutory and Council Policy Checklist

Financial implications
~~YES~~/NO   Cleared by: L Pattman
Legal implications
~~YES~~/NO
Equality of Opportunity implications
~~YES~~/NO
Tackling Health Inequalities implications
~~YES~~/NO
Human rights implications
~~YES~~/NO
Environmental and Sustainability implications
~~YES~~/NO
Economic impact
~~YES~~/NO
Community safety implications
~~YES~~/NO
Human resources implications
~~YES~~/NO
Property implications
~~YES~~/NO
Area(s) affected
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?   ~~YES~~/NO
Press release
~~YES~~/NO

REPORT TO SHEFFIELD CITY COUNCIL AUDIT COMMITTEE
8th January 2015

Director of Resources Report –Wider Corporate Systems Implications Arising from the Adult Social Care Management Review

PURPOSE OF THE REPORT

1.   This report summarises the evaluation of the wider corporate system implications arising from the adult social care management review.

2.   The report draws on work undertaken by Internal Audit, External Audit (KPMG) and Business Strategy, Communities to assess whether corporate system weaknesses exist which could result in a similar overspend situation in other areas of the council.

BACKGROUND

3.   The Communities over-spend Management Review was commissioned by the Chief Executive and the Section 151 Officer in July 2013. A report was presented to the Audit Committee in July 2014, outlining the reasons why the overspend manifested and the action that was being taken within the portfolio to address the budget situation.

4.   At that July meeting, members requested that consideration be given to the main corporate systems of the council and whether there are any wider implications and lessons that could be learnt from the ASC management review, in particular whether corporate system weaknesses exist which could result in a similar overspend situation in other areas of the council.

5.   As part of the Internal Audit review cycle, a programme of reviews that cover the main financial systems of the Council are undertaken. The work in these areas has been examined by the Council's External Auditors and reliance is placed upon this work for the Council's annual accounts.

Main Financial Systems 2013/14

6.   The key relevant systems covered in 2013/14 are noted below, along with a brief description of the scope and outcome :-

   Debtors

   This audit covered the controls within the Council's OEO system and reconciliation processes in place. As per our rolling programme, Internal Audit followed up the previously agreed recommendations and a sample of debtor accounts was included. A number of recommendations were made and agreed and an overall opinion of

Medium-Low was given.

Payroll

This audit covered the controls within the Payroll system to ensure payments and deductions are made accurately and are supported with appropriate documentation. The overall opinion given was Medium-High.   The 14/15 audit will consider progress against the previously agreed recommendations as well as areas from the annual rolling programme.

CYPF Financial Reporting

As part of the rolling programme of portfolio focussed audits, a budgetary reporting and controls audit was undertaken for the CYPF portfolio. Three recommendations were agreed mainly around the allocation and reviewing of budgets. The audit concluded with a Medium-Low opinion, therefore the controls are largely in place with scope to improve their operation.

Main Financial Systems 2014/15

7.   As part of the 2014/15 cycle of main financial system reviews, the Debtors, Payroll and National Non-Domestic Rates (NNDR) audits are currently underway and will be summarised in the Internal Audit annual report.

Resources Financial Reporting

8.   A budgetary reporting and control audit was undertaken for the Resources portfolio. Three recommendations were agreed mainly around the allocation and reviewing of budgets. The audit concluded with a Medium-Low opinion, therefore the controls were largely in place with scope to improve their operation.

Annual Governance Statement 2013/14

9.   The Council's Annual Governance Statement (AGS) previously circulated to the Audit Committee (July 2014) included 3 items that were highlighted by management as areas of significant control weakness. These included Adult Social Care and Supporting Services but did not include concerns about any of the main corporate systems.

CareFirst Financials

10. This internal audit review was of the computer application, CareFirst, which is used by the Communities Portfolio to monitor payments and provide management information. This was not a service review, but covered some issues which formed part of the wider management review. It was recommended that senior management within the service address the issues relating to budget holders approving commitments on the Carefirst system whilst the budget is overspent. This included taking action as a matter of priority to review service strategies and budgets to ensure that these align.

11. A follow-up piece of work was completed by Internal Audit in September 2014 and all operational recommendations made at the time had been implemented. It was stated by management "that recovery action was continuing with appropriate Head of Service/Director budget approval. Improved workflow tracking is being rolled out to give better management information. This is used to support improved performance, both for individuals and teams overall".

KMPG Review of Financial Support Processes in Adult Social Care

12. KPMG were commissioned by the Council to undertake a review into the financial management support, following on from the management review into Adult Social care. The report identified key issues in the following four areas:

- Data
- Processes
- Systems and Management Information
- Integration.

13. Work is underway to address the issues identified in this review. This on-going work is detailed in the report 'Implementing the Recommendations of the Management Review January Update'. This paper intends to inform the Audit Committee of those issues identified by KPMG which have the potential to have an impact wider than the Communities Portfolio.

14. The issues found in respect of data are in the main, not ones which impact across the rest of the Council as they relate purely to the inter-face between Care-first and the Council's financial system OEO. However as the Children's, Young People and Families Portfolio (CYPF) use Care First there will be similar issues arising there relating to:

- Care First and OEO reconciliation issues
- Care First data ownership and subsequent data quality
- Duplication of supplier data
- Timeliness of data

15. The issues around processes relate primarily to the Communities Portfolio, but there are some issues that impact across the rest of the council. These include:

- Care Plan Financial Control and Sign-off – Impacts on CYPF
- High value care plans – Impacts on CYPF

- Recording data – Health care information on Care First – Impacts on CYPF
- Allocation of Responsibility and Accountability between departments – Potential impact council wide – although this is untested
- Incremental Budgeting – Potential for Council wide impact
- Lack of focus on outcomes – Potential for Council wide impact.

16.   The issues around Systems and Management Information are specific to the Communities Portfolio in the most part, however there were some issues identified which have the potential to impact across the rest of the Council, these include:

- Limited forecasting capability in relation to specific care budgets due to a lack of analysis of Care First data – this issue could impact on CYPF
- Activity and Financial Management Information are reported separately – Potential for Council wide impact
- Care First – Lack of Management Reporting Capability – this issue could impact upon CYPF
- Lack of effective outcome reporting – Potential for Council wide impact
- Ineffective health care reporting – this issue could impact on CYPF
- Overall quality of financial management information relating to the content, style and quality of financial management reports – Potential for Council wide impact
- Lack of clarity in relation to reporting suite – Potential for Council wide impact.

17.   The issues around Integration are specific to the Communities Portfolio in the main. However there were some issues identified which have the potential to impact across the rest of the council, these include:

- Interaction with Healthcare providers – Verification of Data – this issue has the potential to impact on CYPF
- Finance function integration into decision making processes – Potential for Council wide impact.

18.   The findings of this review will be considered and acted upon in a variety of ways, including, but not limited to:

- Informing 15-16 Audit Planning
- Linked back to the Annual Governance Statement
- Addressed as part of a change process in the Finance Service to be implemented in 15-16
- Shared with relevant Officers in the Council to determine potential impacts and implement mitigation actions where required.

CONCLUSIONS

19.   A considerable amount of work has been undertaken reviewing main corporate systems to ensure controls are adequate. Adherence to the processes and controls contained within these main systems is essential to help mitigate against a repeat of the communities overspend.

FINANCIAL IMPLICATIONS

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

EQUAL OPPORTUNITIES IMPLICATIONS

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

RECOMMENDATIONS

22.   That members note the information in the report.

23.   That members receive further progress updates regarding actions undertaken to address issues raised in the KPMG report.

Laura Pattman
Assistant Director of Finance

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Audit Committee Report

Report of:	Eugene Walker Interim Executive Director of Resources, Local Authority Section 151 Officer
Date:	8 January 2015
Subject:	Progress Report for Audit Committee - Recommendations from the External Auditor's ISA260 Report 2013/14
Author of Report:	Andrew Eckford Interim Director of Finance
Summary:	The purpose of the report is to update the Audit Committee on the progress made by the Council to implement the recommendations from the External Auditor's ISA260 report.
Recommendations:	Audit Committee to note the contents of the report and progress made.
Background Papers:	None
Category of Report:	OPEN

Statutory and Council Policy Checklist

Financial Implications
NO
Legal Implications
NO
Equality of Opportunity Implications
NO
Tackling Health Inequalities Implications
NO
Human rights Implications
NO
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
None
Relevant Cabinet Portfolio Leader
Ben Curran
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

Progress Report for Audit Committee - Recommendations from the External Auditor's ISA 260 Report 2013/14

At the September 2014 Audit Committee, the External Auditors KPMG, presented their Report to Those Charged with Governance ISA260 2013/14. The purpose of this briefing is to update the Audit Committee on the progress made by the Council to implement the recommendations from that report.

There are two outstanding recommendations; one reported for 2013/14 and the other reiterated from a prior year report. Both are given a Priority Two rating, which KPMG defines as *"issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part, or reduce (mitigate) a risk adequately, but the weakness remains in the system."*

2013/14 Key Issues & Recommendations
Source: KPMG ISA260 2013/14, Appendix 1, page 17

Issue reported by KPMG	KPMG recommendation	SCC Progress - December 2014
Pensions data flows <u>Sept 2014</u> Some progress has been made in improving the timeliness and accuracy of pensions data passed to SY pensions Council since 2010, particularly in immediate past, and officers are optimistic that progress has been made in addressing the underlying issues. However this remains an area where improvements are required, so further work remains to be done.	The Council should liaise with SY Pensions Authority to ensure that continuing action is taken to address the issues in respect of data flows, and take further action if performance does not improve.	Significant work by SCC and HR Connect (Capita) has taken place during 2014. This has seen the clearance of over 8000 back log cases and improvements to Pensions data report submissions by Payroll. It is envisaged that further improvements will take place now SYPA have introduced a new pensions system (23/11/14). Governance arrangements are in place through the Regional Pensions Group and Service Operations Board to monitor and improve performance.

Follow Up of Prior Year Recommendations
Source: KPMG ISA260 2013/14, Appendix 2, page 18

Issue reported by KPMG	KPMG recommendation	SCC Progress - December 2014
Credit Clearing <u>Sept 2012</u> Our review (in 2011/12) identified that there had been delays reconciling the Credit Clearing Account and there were £2.8m of uncleared items at December 2011. We recommend that the Director of Finance should ensure that reconciliation processes are being maintained despite staff turnover and reductions. <u>Update Sept 2013</u> The Council reviewed its reconciliation processes over the Credit Clearing Account and has identified improvements in the process. Reconciliations are now carried out on a monthly basis. Since 2011/12 progress has also been made in clearing the backlog of uncleared items. This balance has now reduced to £0.8m and officers are working to clear the remaining items.	<u>Status as at Sept 2014</u> The balance remains at £0.8m. Prompt action is needed to clear this balance.	The reconciliation difference on the Credit Clearing Account was caused by a one-off internal error in 2011/12, which resulted in £2.8m of transactions incorrectly crediting debtor codes. Work has been ongoing to correct the transactions, but has to be undertaken carefully where customer accounts are involved. By September 2013, the uncleared items had been reduced to £800k. By December 2014, a further £633k credit balances have been identified to assist with managing the issue, with work ongoing to tackle the remaining £167k. Reconciliations are regularly carried out and no further differences have been reported.

Andrew Eckford
Interim Director of Finance

SHEFFIELD CITY COUNCIL
Audit Committee Report

Report of: **The Interim Director of Legal & Governance**

Date: 8th January 2015

Subject: Report to the Audit Committee on Progress on the 2013/14 Annual Governance Statement.

Author of Report: **Gillian Duckworth - 2730418**

Summary: The purpose of the report is to update the Audit Committee on the progress made in mitigating the items raised in the 2013/14 Annual Governance Statement.

Recommendations: 1) That the Audit Committee note this report.

Background Papers: The Annual Governance Statement presented to the Audit Committee in July 2014.

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
NO
Legal Implications
NO
Equality of Opportunity Implications
NO
Tackling Health Inequalities Implications
NO
Human rights Implications
NO
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
NONE
Relevant Cabinet Portfolio Leader
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

SHEFFIELD CITY COUNCIL

LEGAL & GOVERNANCE

UPDATE ON ISSUES IN THE ANNUAL GOVERNANCE STATEMENT (AGS)

UPDATE ON AGS FOR THE FINANCIAL YEAR 2013/14, AS AT THE END OF DECEMBER 2014.

Introduction

1. The Council produced and signed off the Annual Governance Statement in July 2014. A number of issues were raised in the AGS for which managers were asked to produce plans to ensure that they did not lead to significant breakdowns in control.

2. This report is to update the Members of the Audit Committee on progress that has taken place. The update covers the period up to the end of December 2014.

3. The report shows the control weaknesses and proposed officer actions as described in the original AGS and the latest information provided by the relevant officer.

Summary

4. From the information given by the officers concerned it appears that adequate progress is being made in these areas.

Work on the 2014/2015 AGS

5. Legal and Governance are responsible for the production of the Annual Governance Statement. The process has been reviewed and suggested amendments approved by EMT. The review has proposed a two stage improvement process, with the work this year concentrating on improving and rationalising the guidance.

   This work has been undertaken and the guidance and associated documentation will be on the intranet so that Directors can involve their service in preparing detailed responses. To assist, the Interim Director of Legal & Governance plans to meet all the Portfolio Leadership Teams to brief on procedure and answer any questions the Directors and their Management Teams may have.

Recommendation

6. The Audit Committee are asked to note the actions taken by Officers and progress made to date.

Financial Implications

7. There are no direct financial implications regarding this report.

Equal Opportunities Implications

8. There are no direct equal opportunities implications regarding this report.

Environmental Sustainability Implications

9. There are no direct environmental sustainability implications regarding this report.

Community Safety Implications

10. There are no direct community safety implications regarding this report.

Human Rights Implications

11. There are no direct human rights implications regarding this report.

Legal Implications

12. There are no direct Legal implications regarding this report.

Signed

Gillian Duckworth
Interim Director of Legal & Governance

Items raised in the 2013/14 Annual Governance statement

Description of the Control Weaknesses

Adult Social Care and Supporting Services

This issue featured on last year's AGS and the service provided an update on progress in January 2014:

A Programme Board is overseeing progress of the established recovery and medium term activity including the Adult Social Care plans to ensure service users are kept independent safe and well, their unmet eligible critical and substantial needs are met in the most cost effective way and ensuring services are efficient and that staff are deployed in an effective and efficient way.

A number of interventions are being progressed focusing on Reviews and Reassessments, Continuing Health Care, Refining our Personalisation Offer, Direct Payments Monitoring and Management and Adult Provider Services' Savings Plans. Guidance and regular updates are provided to staff and we have hosted four stakeholder events.

The forecast spend position is consistently reducing.

It would seem that while improvements are being made there is a need to include this item again on the Statement as the measures carried out to rectify the issues raised in 2012/13 have highlighted issues with the support systems to Adult Social Care which may have contributed to the range of issues with the service in 2012/13.

Issues were highlighted in service planning, management information, financial management and commissioning.

Proposed Officer Action (as per AGS)

Actions are being taken within the Portfolio and corporately to address these issues

There was inconsistent performance in budget monitoring and operational and financial forecasting. Actions are being taken to ensure that better information and processes are in place.

There was poor management information. Actions to put in robust management information and financial monitoring are being undertaken.

Update on Progress

Information provided by Laura Pattman
Interim Director of Strategy – (Finance Business Partnering)

A Programme Board is continuing to oversee the delivery of the established recovery and medium term activity including the Adult Social Care plans to ensure service users are kept independent safe and well, their unmet eligible critical and substantial needs are met in the most cost effective way and ensuring services are efficient and that staff are deployed in an effective and efficient

way.

A number of interventions are well established focusing on Reviews and Reassessments, Continuing Health Care, Refining our Personalisation Offer, Direct Payments Monitoring and Management and Adult Provider Services' Savings Plans. Guidance and regular updates are provided to staff and we have hosted four stakeholder events.

The forecast spend position is consistently reducing due to the interventions described above.

Actions are being taken within the Portfolio and corporately to address issues identified in relation to service planning, management information, financial management and commissioning. An independent review of the financial support provided to the Portfolio has been completed and the recommendations included within it are in the process of being implemented. This will address inconsistent performance in budget monitoring and operational and financial forecasting.
Actions are being taken to ensure that better information and processes are in place, this is underpinned by a Business Intelligence project to deliver improvements in management information. The performance management framework has been reviewed and will be further improved with the implementation of the Business Intelligence project.
A qualitative independent review of commissioning and contract management is due commence in January 2015.

Description of the Control Weaknesses

Capital Project Management

This featured on last year's AGS.

In 2012/13 only 64.1% of forecasts were completed by the relevant managers.

Concerns remain about the level of compliance with and the quality of monthly forecasting of schemes by project managers. Slippage remains to be a considerable problem across the Capital Programme.

Of particular concern is the Delivery of Highway Schemes.

An internal audit report concluded:

There was ambiguity and overlap in relation to aspects of the implementation, scheduling, monitoring and delivery of the transport capital programme. The Service failed to apply the corporate Capital Approval procedures and was found to have inadequate financial monitoring, reporting & governance arrangements along with a lack of quality assurance regarding project management.

There were high levels of slippage in to 2013/14 which amounted to £5.2m against a total capital allocation of £15.1m (35%) for the service.

A Mid-Term Review of all South Yorkshire LTP and LSTF schemes was carried out in September 2013 by the SYLTP Central Partnership Team. This resulted in a total of £1m of funding being "scaled back" (i.e. re-allocated) away from existing Sheffield schemes on the basis that it was

unlikely to be applied in the year. Over and above this, a further nine schemes (amounting to £915k) had been placed under "Special Measures, requiring more detailed programme management scrutiny and/or changes to management of the project".

Proposed Officer Action (as per AGS)

Whilst there has been an improvement, performance remains short of where it should be.

In the last half of 2013-14, between 85% and 92.5% of forecasts were completed. The accuracy of the forecast also improved such that the level of slippage declared at year-end fell from £43.3m in 2012/13 to £9.6m in 2013/14. Total slippage in the year fell from £87.7m to £54.2m.

The Capital Programme Group has led the definition and clarification of the roles of Project Sponsor and Project Manager and is rolling this out through the Capital Delivery Service and Finance teams. The Council is now adopting a Gateway Approval process where the project business case has to be supported by a programme Board (Gateway 1 & 3), and reviewed by another cross portfolio officer group (Gateway 2) to ensure compatibility with the whole capital programme and deliverability before it is considered by CPG (Gateway 4) for financial and onward democratic approval.

EMT has also recommended that project management should be concentrated within the Capital Delivery Service which will assume responsibility for monitoring the physical progress of the programme. The Capital Delivery Service is in the process of developing the Capital Hub which will deploy and operate the infrastructure needed to monitor and manage capital programme performance. This work will also enable more detailed performance reports to be provided to EMT and Cabinet.

The rate of adoption and adherence to these principles varies across the Council, with the Place Portfolio starting to pilot many of the new ways of working.

Notwithstanding that, the Highways service remains one of those services which needs to make the greatest change having moved on only a little since last year. However, the Director of the service is committed to change and is being supported by Finance, Commercial Services and the Capital Delivery Service to realise this.

Update on Progress

Information provided by Daniel Ladbury

A report was taken to Audit Committee on 13th November 2014, this update is taken from the summary of that report:

The progress that has been achieved to date to improve capital delivery is summarised as follows:
- Appointment of a Private Sector Capital Delivery Partner;
- Development of Project Prioritisation Matrix;
- Development & implementation of Project Delivery Process;
- Development and implementation of Capital Gateway Approval process;
- Continued audit and challenge of projects in the capital programme;
- CDS Project Manager training;
- Development of a 3 year capital delivery improvement roadmap.

The further developments that are currently being progressed in order to improve the delivery of the capital programme are as follows:

- Development of a baseline programme to capture all projects;
- Further review of the Capital Gateway Process;
- Development of project reporting and monitoring;
- Development of programme reporting;
- Restructure of the Capital Delivery Service to improve project delivery, project monitoring and develop the Capital Programme Office function;

Description of the Control Weaknesses

Consistency of Corporate Issues

A number of issues were raised relating to consistency with processes or procedures across the Council.

Areas of concern are as follows:
1. Projects - Risk management and reporting – an internal audit report highlighted the lack of a corporate approach to the reporting of risks in projects.

2. Contract management – whilst there is a contract management framework and clear processes for major contracts, there are a wide range of other contractual arrangements in the Council with varying degrees of effective management.

3. A lack of consistency in services seeking early support from legal, financial and commercial teams to minimise risk, so that advice is sometimes reactive not proactive

4. HR people management – HR processes such as sickness absence procedures, Individual Performance Reviews, induction and exit processes and ID badges were identified as processes that although corporately prescribed and frameworks are in place were not always consistently applied across the organisation

5. As part of a programme of work by the Information Governance Board a number of Services across different Portfolios acknowledged that they did not have adequate information retention/destruction policies meaning that they may be holding physical and/or electronic data unnecessarily.

Proposed Officer Action (as per AGS)

EMT will identify where it is appropriate for processes to be applied corporately and where Portfolios retain discretion on how to apply a process. An action plan will be devised to set out the reporting and monitoring requirements of EMT.

1. EMT to reconsider its overview of project risk management as part of the business change agenda.

2. The Interim Director of Commercial Services has raised this as an issue and is devising an action plan to rectify the position.

3. This will be addressed as part of the action in 1.

4. Director of HR to review processes to make sure they are robust and assist EMT in preparing an action plan to address the inconsistencies in management as required.
   ID badges have recently become the responsibility of the Director of Transport & FM. HR have not had any previous involvement but the Director of HR will as part of this review work with the Director of Transport & FM to put in place a robust process for allocation of ID badges

5. The Information Governance Board has identified the need for guidance to be updated. The Council has recently appointed an Information Governance Officer to address any issues with consistency

Update on Progress

Information collated by Michelle Hawley,
Business Development & Performance Manager, Resources

1. The CPMO has been working closely with the Corporate Risk Group, Capita and BCIS to determine requirements for recording and reporting on projects and programmes. This includes the linking of the governance routes so EMT get full visibility of all key risks, whether BAU or programme risks, at the same quarterly reporting session.

The timescales of outstanding activities are as follows:

- Completion of gathering requirements – 17 December 14
- Completion of SharePoint system for recording risks – early Jan 15
- Pilot of system to commence – mid Jan 15
- Documentation of governance structures and reporting cycles – Feb 15
- Commencement of go-live (to be done by portfolio) – March 15

2.
- All identified contract managers in client teams within portfolios have now received training on strategic contract management and have been given access to a contract management toolkit. Angela Bateman delivered the training.
- Contract managers continue to be supported by category managers and contract managers where appropriate.
- In conjunction with HR Filip Leonard and his team are also looking to develop commercial skills training to assist with increasing commercial skills with portfolios to help deliver commercial outcomes.

3. The AGS guidance has been reviewed and now includes a control question to remind services that they need to access advice from Professional Services e.g. legal, commercial, finance etc. when appropriate.

Legal & Governance will be liaising with the CPMO to identify how the new corporate system for reporting on projects and programmes can assist with assurances that Professional Services are being consulted appropriately to minimise risk. We will also feed into the Simplifying Decision Making project and ask that the outcomes incorporate assurance that Professional Services are consulted appropriately as part of decision making.

4. There are a suite of robust corporate policies and procedures in place to manage these HR processes. For sickness reporting there is a corporate sickness reporting procedure, this includes the collation procedure for identified officers and the standard sickness reporting.

Work is ongoing on to update the HR system, this will provide managers with real time absence data so they can manage sickness more effectively. There is also an opportunity to add workflow to the system to prompt managers to enter the various associated procedures. This would provide additional visibility and control for the HR service on how well the procedures are being implemented. There is currently no agreed funding for this extra module.

A series of workshops have been run for all managers to attend to introduce them to the revised Managing Absence Procedure (MAP) and remind them of their responsibilities in line with this new procedure.

In addition to the management of absence processes and procedures there is regular reporting of sickness absence rates at EMT performance meetings, PLTs, to service management teams and to line managers. These reports set out the absence rates, trends of absence over a number of quarters, types of absence and length of absences. Managers are also alerted when staff hit trigger points. HR Business partners challenge sickness absence with PLT's and line managers to ensure that policy is followed robustly.

Performance information is also shared with managers at the quarterly Managers Events, where they are also reminded of their role in relation to managing these processes.

All IPR's are now required to be input into MyView and HR can monitor completion rates through the system to ensure all services and managers are completing IPR's for their staff consistently. There are reported issues with the IPR process and the My View system, the Chief Executive has commissioned the Director of HR to review both.

There are robust induction and exit checklists and information is available on the intranet for managers to work through for new starters and leavers, these processes are managed by HR Connect.

5. There is ongoing work around records management including disposal and retention. This includes further guidance on the Council's intranet which has/is in the process of being refreshed. This will include more guidance around retention at a service level.

   Work is also being undertaken around the wider areas of records management with an opportunity brief being prepared for early January.

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Sheffield City Council

Audit Committee Report

REPORT OF	**Interim Director of Finance**	**DATE** 8th Jan 2015	

SUBJECT	**Progress on High Opinion Audit Reports**

SUMMARY	**The attached is the report of the Interim Director of Finance providing an updated position on Audit Reports issued with a high opinion.**

RECOMMENDATIONS	**Sheffield City Council Audit Committee to note the contents of the Report and agree to remove the audits highlighted from the tracker.**

FINANCIAL IMPLICATIONS CLEARED BY	**No** **K Inman**	**PARAGRAPHS**

BACKGROUND PAPERS

CONTACT POINT FOR ACCESS	**K Inman**	**TEL NO.** **273 4435**

CATEGORY OF REPORT

Open

Statutory and Council Policy Checklist

Financial implications
~~YES~~/NO   Cleared by: K Inman
Legal implications
~~YES~~/NO
Equality of Opportunity implications
~~YES~~/NO
Tackling Health Inequalities implications
~~YES~~/NO
Human rights implications
~~YES~~/NO
Environmental and Sustainability implications
~~YES~~/NO
Economic impact
~~YES~~/NO
Community safety implications
~~YES~~/NO
Human resources implications
~~YES~~/NO
Property implications
~~YES~~/NO
Area(s) affected
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?   ~~YES~~/NO
Press release
~~YES~~/NO

REPORT TO SHEFFIELD CITY COUNCIL AUDIT COMMITTEE
8 January 2015

Internal Audit Report on Progress Against High Opinion Audit Reports.

Purpose of the Report

1. The purpose of this 'rolling' report is to present and communicate to members of the Audit Committee progress made against recommendations in audit reports that have been given a high opinion.

Introduction

2. An auditable area receiving a 'High Opinion' 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.

3. This report provides an update to the Audit Committee on high opinion audit reports previously reported. Where Internal Audit has yet to undertake follow up work, the relevant Portfolio Directors were contacted and asked to provide Internal Audit with a response. This 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, Directors were to provide specific dates for implementation and that this was required by the Audit Committee.

   This report also details those high opinion audits that Internal Audit plan to remove from future update reports. The Audit Committee is asked to support this.

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 Committee notes the content of the report.

2. That the Audit Committee agrees to the removal of the following reports from the tracker:

   - Freedom of Information (Resources)
   - Schools, appointments, terminations and amendments to pay (CYPF).
   - Carefirst Financials (Resources)
   - Projects – Risk Management and Reporting (Place)

Andrew Eckford
Interim Director of Finance.

SHEFFIELD CITY COUNCIL
UPDATED POSITION ON HIGH OPINION AUDIT REPORTS AS AT 8 January 2015

1. Waste Management Contract (Place). (Issued to the Audit Committee 15.08.14).

As at January 2015
Internal Audit: This report was issued to management on the 04.06.14, with the latest agreed implementation date of 31.03.15. Therefore an update will be provided in the next high opinion update report.

2. Adoption Service (CYPF). (Issued to the Audit Committee 18.07.14).

As at January 2015
Internal Audit: This report was issued to management on the 08.07.14, with the latest agreed implementation date of 31.12.14. Therefore an update will be provided in the next high opinion update report.

3. School Attendance - Multi Agency Support Teams (MAST) (CYPF). (Issued to the Audit Committee 22.08.14).

As at January 2015
Internal Audit: This report was issued to management on the 11.08.14, with the latest agreed implementation date of 31.12.14. Therefore an update will be provided in the next high opinion update report.

4. Subject Access Requirements (Resources). (Issued to the Audit Committee 17.07.14).

As at January 2015
Internal Audit: This report was issued to management on the 19.06.14, with the latest agreed implementation date of 30.12.14. Therefore an update will be provided in the next high opinion update report.

5. Short Term Intervention Team (STIT) (Communities). (Issued to the Audit Committee 17.07.14).

As at January 2015
Internal Audit: This report was issued to management on the 14.07.14 with the latest agreed implementation date of 31.03.15. Therefore an update will be provided in the next high opinion update report.

6. Car Parking Services (Place). (Issued to the Audit Committee 23.09.14).

As at January 2015
Internal Audit: This report was issued to management on the 23.09.13, with the latest agreed implementation date of 31.03.14. Following a piece of follow up work by Internal Audit in September 14, the Director of Regeneration and Development Services attended the November Audit Committee meeting and provided an update against the outstanding recommendations.   At this meeting it was agreed that a further piece of follow up work would be undertaken by Internal Audit.

Because of timing issues, Internal Audit agreed to obtain evidence for those actions stated as having been completed in the November update – with further updates being provided in the next tracker against actions noted as still being 'in progress'. It was stated that these in progress actions were to be completed by the end of December 2014.

Internal Audit were provided with sufficient evidence to confirm that the 8 recommendations stated as being 'complete' in November had all been actioned see below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - after Internal Audit follow up review 24.11.14
6.1	Combinations on safes, doors etc should be changed at least every 3 months or more frequently in the event of staff leaving.	Medium	TT&PS Business Manager	30.09.13	Internal Audit evidenced a control sheet that records/confirms change of door access code and the notifications to staff authorised to hold the access code. Additionally Internal Audit evidenced that Chubb codes for the safe were changed every 3 months and this was recorded. Completed.
6.2	Income monitoring should incorporate the identification of trends that may indicate possible impropriety or underutilisation of the facilities.	High	TT&PS Business Manager	30.09.13	At the time of the follow up work undertaken by Internal Audit this recommendation was not to be actioned. Management confirmed that this risk was effectively mitigated by routine reconciliations and this was agreed at the time with the TT & PS Business Manager. Completed.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - after Internal Audit follow up review 24.11.14
6.3	Daily income records should be reconciled and evidenced against RingGo income.	High	TT&PS Business Manager	30.09.13	Internal Audit evidenced a daily income record maintained by Parking Services – this was reconciled to a monthly analysis report produced by RingGo income.

Completed. |
| 6.4 | Parking Services management should provide the Director of Regeneration and Development Services with a report outlining the reasons for the forecast shortfall on parking income for 2013/14, together with the action to be taken. | High | TT&PS Business Manager | 30.09.13 | This has been actioned. Additionally, the Director of Regeneration and Development Services receives a monthly report on budget monitoring covering Parking Services business units. Internal Audit evidenced this.

Completed. |
| 6.5 | Assistant Managers should carry out their monthly quality reviews (PCN processing) ensuring that the sample for each officer include an appropriate number of cancellations processed. | Medium | TT&PS Business Manager | 31.10.14 | Internal Audit evidenced the monthly PCN – this now includes an appropriate number of cancellations.

Completed. |
| 6.6 | The monthly quality review (penalty notice processing) should be based on more representative transaction sample sizes to provide a greater level of assurance as to staff performance. | Medium | TT&PS Business Manager | 31.10.14 | The monthly PCN samples have now been increased. Internal Audit evidenced this from a sample of monthly reviews.

Completed. |

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - after Internal Audit follow up review 24.11.14
6.7	Monthly performance monitoring arrangements should incorporate the specific reviews of PCN cancellations due to failure to respond to formal challenges within the statutory deadlines.	Medium	TT&PS Business Manager	31.10.14 Revised implementation date 31.12.14	This original recommendation was broken into 3 areas. 2 of these were evidenced to be actioned (monthly monitoring against CEO's and monthly monitoring of back room staff specifically with regard to cancellations) however a systematic review of cancellations had yet to be put in place. Partly completed.
6.8	Parking services management should monitor and controls overtime in line with corporate guidelines.	High	TT&PS Business Manager	30.09.13	A system is now in place, with the TT & PS manager authorising overtime and contacting the relevant managers to confirm hours worked and performance met. Internal Audit evidenced copies of enquiries and responses seen. Completed.

7. Care First Financials (Resources). (Issued to the Audit Committee 23.07.14).

As at January 2015
Internal Audit: This report was issued to management on the 09.05.14 with the latest agreed implementation date of 30.04.14. At the time of issue to the Audit Committee the following was stated "The review is of the computer application (CareFirst) only that is used by the service to monitor payments and provide management information. This was not a service review, but covered some issues which formed part of the wider management review that Members have already seen. This report has been completed for some time, but we delayed issuing the report until the wider review was complete. We have been provided with updates by management in the intervening period to show that action is being taken. We will follow-up in the usual way and follow-up review is in

the plan for later in the year".

Internal Audit: A follow up audit was completed in September 2014 and the updated position is noted below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position as per Internal Audit follow up September 2014.
7.1	It is recommended that the payment processes are fully documented - identifying all staff involved in the processes and the actions to be taken.	Medium	Bev Coukham, Director of Business Strategy, Communities	30.04.14	Completed. All processes and standard operating procedures are now fully documented.
7.2	It is recommended that when the processes are fully documented, they are formally reviewed to ensure that they have the required levels of control in place. Resources should be optimised to increase efficiency, whilst ensuring that the required levels of governance and control remain in place.	High	Bev Coukham, Director of Business Strategy, Communities	30.04.14	Completed. Processes have been reviewed and various improvements made.
7.3	It is recommended that the current process for entering information on to CareFirst is reviewed; this should include why the current process in relation to creation and authorisation (as detailed) is not being followed and what controls need to be in place going forward. Once the process has been agreed, this should be fully documented and communicated to all staff. (This links to recommendation one and two above.)	Medium	Bev Coukham, Director of Business Strategy, Communities	30.04.14	Completed. The process changes have been made.
7.4	Senior management within the service must address the issues relating to budget holders approving commitments on the system whilst the budget is overspent. Taking action as a matter of priority, reviewing service strategies and budgets to ensure that	High	Bev Coukham, Director of Business Strategy, Communities	Ongoing.	This has not been tested by Internal Audit but is under close scrutiny by the appropriate Directors as part of an overall recovery plan.

				It was stated by management that recovery action is continuing with appropriate Head of Service/Director budget approval as previously detailed. Each area has initiatives in place to improve their review rate. Learning Disabilities and Adults Services now have dedicated review teams. Improved workflow tracking is being rolled out to give better management information. This is used to support improved performance, both for individuals and teams overall.

Internal Audit proposes to remove this item from the tracker.

8. Schools, using independent payroll services (CYPF). (Issued to the Audit Committee 22.04.14).

As at January 2015
Internal Audit: This report was issued to management on the 31.3.14, with the latest agreed implementation date of 31.03.2015. Therefore an update will be provided in the next high opinion update report.
Update against actions from management, provided 21st October 2014. Two recommendations were agreed to be completed by the HR Service Manager (Schools Statutory and Strategic HR Service) and an update against these is reproduced below. Please note that any recommendations agreed with individual schools will be followed up as part of the planned schools themed reviews.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position From Jo Roy, HR Service Manager 21.10.14.
8.1	Schools should be encouraged to have open dialogue with each other and establish the decision making processes that has been adopted at each school in relation to their payroll / HR provider. Therefore, best practice can be shared and ultimately value for money	Medium	HR Service Manager (Schools Statutory and Strategic HR	Timescale – To be actioned at the next selection process.	This recommendation has been made in the May Employment Bulletin and the updated Guidance Booklet which was issued to schools in September

	may be achieved. The HR Service Manager (Schools Statutory and Strategic HR Service) should encourage this practice.		Service).		2014.
8.2	The HR Service Manager (Schools Statutory and Strategic HR Service) should produce and provide some guidance in this area and facilitate sharing best practice between schools that promotes VFM. Furthermore, encourage schools to negotiate "block" discounted charges for schools in partnership.	Medium	HR Service Manager (Schools Statutory and Strategic HR Service).	30.09.14 Revised implementation date of 31.03.15	Work in this area has been restricted due to the lack of engagement from Commercial Services. Emails requesting a meeting have been forwarded to Internal Audit.

9. Delivery of Highways Schemes (Place). (Issued to the Audit Committee 08.04.14).

As at January 2015
Internal Audit: This report was issued to management on the 19.03.14, with the latest agreed implementation date of 30/09/2014. Internal Audit have a follow up review scheduled for quarter 4 in 2014/15
Update against actions from management as at 25th November 2014 The Director of Regeneration and Development Services, Dave Caulfield, provided an updated position against the recommendations and this is provided below. Additionally, he wished it to be recorded that a firm of consultants, Turner & Townsend, were appointed by Sheffield City Council in August 2014 to undertake a review of the council's approach to delivering its non-core transport capital programme (i.e. excluding the Streets Ahead PFI capital maintenance programme). This end to end review has just reported and a full change programme will be implemented over the next 6 months including picking up some early wins in the first three months. The remaining outstanding Internal Audit recommendations will be captured as part of implementing the change programme.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position 25.11.14 from Dave Caulfield, Director of Regeneration and Development Services.
9.1	Management should report to Cabinet setting out finalised LTP, LSTF and BBF funding levels, together with the respective programmes, for 2013/14.	Medium	Head of TT&PS	31/05/2014	Completed - 10/04/14
9.2	TT&PS management should apply the Q number process, ensuring that known (unallocated) capital funding levels are accounted for from the outset of the financial year. Management should work with the South Yorkshire LTP Partnership body to ensure that capital funding	High	Head of TT&PS	31/05/2014	Completed. TT&PS requested Q number training from Business Partner Capital (BPC) by email 10/04/14. Following discussion with BPC, the advice was that best practice would be to

	allocations are identified and approved in advance of each financial year and thus are able to be accounted for through the Q number and Capital Approval Form (CAF) processes in a timely manner. Project Managers should receive training or be reminded of their responsibilities under the capital approvals process.				prepare all the CAFs early to avoid the need to use Q Numbers. This practice will be adopted for 2015/16. However, it needs to be noted that several funding streams are still to be determined at a national level. Until this happens it is not possible to be definitive about those aspects of the 15/16 programme.
9.3	The link between the various funding sources, the SYLTP Partnership approved schemes and CAF approvals should be clearly demonstrated; as should the split where multiple funding sources are allocated to individual schemes. TT&PS management should maintain a record from the start of each financial year as to how approved capital funding sources had been applied across individual Business Units. This would provide a documented link between funding and schemes, and so ensure that all such funding had been appropriately applied in line with the funding body/accountable body conditions. In addition, this record should also set out the build-up of funding streams applied to individual schemes/Business Units from the various capital and revenue streams. This analysis should be revised to reflect any changes to the levels of funding or to the scheme budgets throughout the financial year.	High	Head of TT&PS	30/04/2014 Revised implementation date: 31/12/14	Completed. 14/15 programme approved by Cabinet Member Decision in April 2014. All CAFs for current spend passed to RDS Director to sign off. Capital Programme Group approved procurement strategy in July, then Cabinet in September. Completed. Q-Tier provides central overall record of approved funding sources across Business Units. Separate spreadsheet also used internally, sample supplied for 2013/14. System continued into 2014/15 with improved assistance from Finance. In progress - to update spreadsheet by December 2014 based on 2014/15 programme. Business Management (BM) to keep

				Revised implementation date: 31/12/14	record, Transport Planning to provide information to BM to update. In progress – in the process of developing an activity report/chart for TT&PS Management Team (MT). To be ready by December 2014.
9.4	CAFs should be completed and submitted for formal approval on a timely basis in line with the corporate procedures. TT&PS managers should ensure that this is being done and that delays are minimised.	High	Head of TT&PS	30/04/2014	Completed. Internal mechanism set up for reminders including email reminders, physical chase up and records of when CAFs are submitted, progress meetings & discussed at TT&PS MT. Also exploring improved processes with Finance, including potential for multi-year CAFs where possible (but note national uncertainty above).
9.5	Terms of Reference for the Regeneration and Development Services Capital Programme Management Board should be drafted and formally approved setting out its remit, timetable and the governance arrangements. Meetings should be formally minuted as a record of submissions made to the Board and of the decisions taken and action agreed	High	Director of Regeneration and Development Services	30/06/2014	Completed. Discussed at RDS Capital Programme Board, RDS Director drafted and circulated Terms of Reference - 19/06/14. Approved by RDS Capital Programme Board July 2014. Meetings are minuted.
9.6	TT&PS management should carry out a review of operational arrangements for the delivery of highways schemes (along with management from Business	High	Transport Programme Manager	30/06/2014	Completed This recommendation was

Partner (Capital), Highways Maintenance Client and Commercial Services). The review should determine whether current arrangements are fit for purpose, ensure an effective contribution towards the Council's strategic objectives and the Strategic Transport Plan, as well as providing effective utilisation of all available grant funding sources. Consideration should be given to operational structures across the TT&PS, as well as the interface with the Highways Maintenance Client Team (HMD) and Amey, as principal contractor. Particular focus should be placed on those planned schemes found to have been held up or subject to bottlenecks within the process, to determine the reasons and how these may be alleviated.			Implementation target for end to end review recommendations and change strategy is 30/06/15	addressed in two key ways: 1. Review of 14/15 delivery - completed 14/15 capital programme delivery mechanism reviewed internally by SCC/Amey in April 2014. Action Plan endorsed by Chief Executives and South Yorkshire (SY) Executive Board in May 2014. Action Plan in process of being delivered with 14/15 'on track' for delivery. April Action Plan has led to improved coordination and forward planning as part of capital programme; also Amey capacity for non-core works was increased. Need to maximise the benefit of GIS mapping. Investigating scope for improved jointly accessed Programme Management software (Concerto). Focus is given to "top 20 " priority schemes at monthly SCC/Amey programme review meeting; also in monthly TTPS/Amey "programme block" meetings. "Top 20" includes those previously held up by bottlenecks etc and which includes all Local Sustainable Transport Fund (LSTF) projects

						to be delivered by 31 March 2015.
						2. Wider 'end to end' review to identify if any further opportunities to deliver the programme more effectively - completed
						The 'end to end' Independent Review undertaken for RDS Director by Turner & Townsend (T&T) - September - November 2014. Just received final report and now considering recommendations. New Interim Head of TT&PS appointed and will play a key role in implementing the key recommendations and change strategy needed. Clear 1-3 month, 3-6 months and longer term actions identified.
						The Review considered the interface with Streets Ahead core contractual arrangements, the Amey/HMD/TT&PS interface and links with Finance and Procurement.
9.7	As a matter of urgency, TT&PS management should review the circumstances that resulted in the reduction of funding for individual schemes and/or their placing under special measures. The review should consider what action was necessary to address these issues in the short term and to ensure compliance with the conditions set by the Mid-Term Review, so reducing the	High	Head of TT&PS	30/06/2014		All Completed. Undertaken as part of 14-15 delivery review (April 2014). Review identified lack of capacity in TT&PS and Amey which have been addressed; also need for improved/new

risk of further funding reductions. (As recommended at 1.6) a broader management review should also be carried out (with input from officers from HMD, Business Partner (Capital) and Commercial Services) to establish the reasons for the levels of slippage arising across highways schemes over the last two years and to identify, develop and implement actions to address these issues. Considerations should be given to the operational processes, consultation, service structure, individual responsibilities, and appropriateness of project management arrangements in the service, as well as interfaces with the other service partners. The Head of TT&PS should report to the EMT and Cabinet setting out the consequences of the Mid-Term Review, ie: • The extent of the "scaled back" funding and the impact on the 2013/14 programme; • The extent of slippage to 2014/15; • The placing of schemes under special measures, why this was necessary and the action to be taken by the service in line with the report's requirement for "more detailed programme management scrutiny and/or changes to management of the projects"; as well as • Action to be taken to avoid further instances of slippage in future years. Individual scheme forecasts should be revised to account for the changes to the schemes and CAF variations submitted where necessary.				processes stemming from Streets Ahead core contract. Greater challenge of Passenger Transport Executive (PTE) targeted timescales required. Quarterly delivery reviews undertaken at SY level by Local Transport Plan (LTP) Office show good progress in improved SCC delivery and spend. Greater delivery problems elsewhere in South Yorkshire. RDS Director met Finance, Procurement and TTAPS to discuss these issues 08/07/14. Progress since 13/14 acknowledged. SY Team is reviewing scope for reallocating spend across all five SY partners in Dec / Jan to maximise 14/15 delivery. SCC position currently indicates no underspend on LTP; there is a collective concern for LSTF which ends in March 2015. SCC projects mostly on programme, issues exist across all 5 partners. 13/14 Mid-Term Review now superseded by review of SYPTE and December review of overall SY programme spend to minimise underspend on LSTF.

					T&T Review considered programme management issues and recommends a number of things to improve this. Monthly individual BU forecasts now achieving 95+% reporting; CAF variations agreed and submitted through Finance Support.
9.8	Officers assigned responsibility for the development and delivery of highways schemes should have received training for, and operate within, the corporate project management procedures. Equivalent roles and responsibilities should not be allocated to officers without the required skills and experience in project management. Quality assurance arrangements should be established to ensure that managers continue to work within the corporate project management framework.	High	Head of TT&PS	30/06/2014 Revised implementation date 31/03/2015.	Not completed. Training not yet established. The need for better training is identified as key recommendation in the T&T 'end to end' Review. A change programme and associated package of training will be put in place. In progress - "Concerto" project management software is being purchased. Needs to be a supporting package of training to ensure it is properly embedded in the working practices of TT&PS and other SCC teams.
9.9	A comprehensive governance framework should be developed for the delivery of highways schemes. This framework should incorporate: Establishing timetables (monthly as a minimum requirement) for the reporting of all	High	Head of TT&PS	30/06/2014	Completed. Governance framework has now been 'refreshed' (Jan'14 onwards). Includes: Monthly project highlight

schemes/programmes by the project managers to the appointed responsible officer (the Scheme Programme Client); Formalised arrangements for the Scheme Programme Client to report on to Service and portfolio management. A review of the current schedule of meetings between TT&PS management, Highways Maintenance Client and the contractor, Amey Consideration given to whether existing arrangements are appropriate and effective. As a consequence of the review, Terms of reference should be established setting out the scope and remit of each of the retained groups. Establishing monthly meetings between TT&PS management and the Finance Partner (Capital). The principle of demonstrating matters discussed and actions to be taken either through detailed minutes or action plans.				reports produced and reviewed internally by Head of TT&PS Monthly programme summary headlines report submitted to RDS Programme Management Board Monthly Programme Executive Summary produced by TT&PS for Exec Director Place and RDS Director – forms background for monthly and quarterly programme monitoring reports to SY Chief Executives by SY Office SCC/Amey monthly programme monitoring meetings held to review progress; SCC/Amey monthly "block allocation" progress meetings also initiated. TT&PS generated a list of meetings with Amey/HMD/SY (28/07/14). Monthly TTPS/Finance Support TT&PS meetings. SY Programme Monitoring Group continues on monthly basis, reports up to SY Strategic Leadership (Head of TT&PS level) and to SY Chief Executives. RDS Director and the GPL Programme Board have agreed to the preparation of 5 thematic Programme Business

| | | | | | Cases to GPL Programme Board as part of corporate "Gateway" process to agree the 15/16 transport capital programme.

Further aspects of Governance to be reviewed as outcomes of T&T Capital Programme Delivery Review. |
|---|---|---|---|---|---|
| 9.10 | Projects scaled back and placed under special measures by the PTE should be reviewed to determine the specific causes for delay in delivery as well as potential bottlenecks.

The results of this should feed in to the operational and structural review recommended at 1.6 but also, in the short-term, ensure that the obligations placed on management by the SYPTE Central Management Team were implemented, ie that appropriate arrangements are put in place to demonstrate to the improvements in scheme delivery, so avoiding further scaling back of funding. | Critical | Head of TT&PS | 30/04/2014 | Completed.

Undertaken as part of internal April Review. Causes for delay identified included lack of capacity in TT&PS (scheme design) and Amey largely addressed. Limitations of working to Streets Ahead Core contractual conditions identified as a key issue in T&T Report. |
| 9.11 | Consideration should be given to providing the Principal Transport Planner Scheme Programme Client with the necessary training and support in corporate capital procedures, or assigning responsibility to an officer with suitable experience.

The key capital functions listed opposite should be set out and re-established so as to provide effective and sensitive levels of financial control over the highways schemes and associated capital funding.

Clarification should be provided on the respective roles | High | Head of TT&PS | 30/05/2014

Revised implementation date | In progress.

Considered as part of the T&T Capital Programme Delivery Review – clear recommendations on training and skills development to be implemented as 'early wins'. Loss of Head of TT&PS created temporary service delivery issues but Interim Head of TT&PS is picking up this recommendation and the other recommendations |

	and responsibilities of the Scheme Programme Client and Principle Engineer, Business Management so as to avoid ambiguity and potential duplication of those responsibilities. Job Descriptions should be revised accordingly.			31/03/2015.	identified in the 'end to end' review. Need for clear delineation of client and project management functions identified in the T&T 'end to end' review and recommendations for clear process maps of 'who does what' and revised job descriptions will be prepared.
9.12	Project managers should review the profiles established for all highways schemes. Inaccurate profiles should be revised to reflect anticipated/planned expenditure patterns and so provide the basis for the effective financial control of those schemes. In future this process should be carried out on a quarterly basis in line with the start, or as and when schemes are re-scheduled. Training should be arranged for project managers inexperienced in the principles of profiling budgets.	Medium	Head of TT&PS	30/04/2014 Revised implementation date 31/03/2015.	In progress. Improved use of Q-Tier across all project managers with support from Finance. Monthly processes for monitoring spend; forecasting (including profiling); variations all improved in 14/15.
9.13	The Information Commissioner should be invited to review the ANPR data-sharing arrangements prior to their implementation. Subject to the Commissioner's approval, all of the parties (ie the four South Yorkshire local authorities and South Yorkshire Police) should enter in to a formal arrangement reflecting the approved procedures for each authority.	Medium	Highways Network Manager	Revised implementation date 31/03/2015.	In progress. Under discussion on South Yorkshire basis including SY Police
9.14	TT&PS management should uphold the conditions of the construction contract waiver. The market testing of a nominated scheme from the 2013/14 programme	High	Head of TT&PS	30/04/2014	Not progressed. Implementation on Procurement and Waiver

| | | | | | issues delayed by loss of previous Head of TT&PS but now identified as a priority for the new Interim Head of TT&PS to complete.

Progress made on identifying schemes for market- testing, initial candidate proved unsuitable. Important to get ahead of timescales so that extra 3 months involved in tendering does not impact of delivery of in-year programme – as per recommendation.

Capital Programme Group agreed (24/11/14) for TT&PS to review (jointly with Commercial Services + Capital Delivery Service) the most appropriate mechanism for market testing in the light of recent concerns re risk. Considering a benchmarking exercise for say 10-12 schemes using CDS database of unit rates to provide a more robust check. |
|---|---|---|---|---|---|
| should be carried out so as to ensure that work is completed in advance of the financial year end.
In future years, schemes should be nominated from the outset of the programmes being established, to ensure that market testing can take place in good time and the work be scheduled in line with the programme. | | | | Revised implementation date 31/01/2015. | |
| 9.15 | TT&PS management should meet with the Commercial Services Construction Category Manager to determine the levels and frequency of financial data to be provided to him. Once determined, arrangements should be put in place to allocate responsibility and set up timetables to facilitate this information | Medium | Head of TT&PS | 31/05/2014

Revised implementation date 31/06/2015. | Not progressed.

Delayed by loss of previous Head of TT&PS. New Interim Head of TT&PS now in place and identified as a priority to complete.

Procurement and value for money are key issues reviewed |

| 9.16 | The previously recommended operational review (point 1.6) should consider the operational structures required for the effective delivery of highways schemes. Specifically, whether current structures provide the most effective model or whether these give rise to bottlenecks or un-necessary duplication. Once the structure has been clarified, specific roles and responsibilities for all service areas and individual officers should be developed and issued, so as to avoid any ambiguity over those responsibilities or the expectations placed on individuals. | Critical | Head of TT&PS | 30/06/2014

Revised implementation date 31/06/2015. | In progress.

The T&T Capital Programme Delivery Review has identified the key issues and some clear actions to address the weaknesses identified. This will need further business process mapping and consideration of alternative procurement options to agree a final operational structure that delivers the transport capital programme in the most effective and efficient way. |

(continuation cell from previous page, top right): as part of T&T Capital Programme Delivery Review. There are a number of clear recommendations to address these issues that will be implemented over the next 3-6 months.

10. Schools, appointments, terminations and amendments to pay (CYPF). (Issued to the Audit Committee 22.04.14).

As at May 2014
Internal Audit: This report was issued to management on the 31.3.14. A number of recommendations were made relating to recruitment and termination of contracts, therefore these will be reviewed when Internal Audit carry out a follow up review in quarter 4. Three recommendations were agreed to be completed by the 30/04/2014, by the HR Service Manager (Schools Statutory and Strategic HR Service) and an update against these is reproduced below.
As at January 2015: Internal Audit undertook a follow up review in August 2014 and the updated position against the three recommendations for HR are noted below. Please note that any recommendations agreed with individual schools will be followed up as part of the planned schools themed reviews.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position
10.1	Leaver's details should be promptly actioned on payroll once they cease working for the school. The 3 discrepancies identified should be verified and corrected if required, by the HR Service Manager (Schools Statutory and Strategic HR Service).	Medium	HR Service Manager (Schools Statutory and Strategic HR Service)	30.04.2014	Update provided from Jo Roy, Service Manager, Human Resources, 23.5.14 All audit actions have now been completed. I have contacted our payroll provider and corroborated the information provided with the Business Manager or Head Teacher at each school. As per Internal Audit follow up report 05 August 2014 The 3 discrepancies were verified as being followed up and no anomalies or errors were found to be on Payroll. The discrepancies were in relation to the name of one employee being different on payroll, and for the other two discrepancies the information in personnel files was missing/incorrect. Action complete.
10.2	Amendments / variations should be actioned promptly and correctly on payroll. The Head Teacher and / or HR Service Manager (Schools Statutory and Strategic HR Service) should follow up and ensure the 3 variations requested have been appropriately actioned either through a request to the payroll provider or via the monthly payroll summary reports.	High	HR Service Manager (Schools Statutory and Strategic HR Service)	30.04.2014	Update provided from Jo Roy, Service Manager, Human Resources, 23.5.14 All audit actions have now been completed. I have contacted our payroll provider and corroborated the information provided with the Business Manager or Head Teacher at each school. As per Internal Audit follow up report 05 August 2014. Action complete.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position
10.3	HR Service Manager (Schools Statutory and Strategic HR Service) should remind and refresh schools about HR / payroll procedures in relation to recruitment, termination and variations to pay. Providing advice and sample documents where necessary.	High	HR Service Manager (Schools Statutory and Strategic HR Service)	30.04.2014	<u>Update provided from Jo Roy, Service Manager, Human Resources, 23.5.14</u> Guidance on Schools appointments, terminations and amendments to pay has been included in the May Employment Bulletin which was circulated to Schools on 22/5/14. This included links to best practice guidance. The recommendations will be added as an addendum to the current Guidance Booklet and incorporated into the updated booklet which is circulated in September. <u>As per Internal Audit follow up report 05 August 2014</u> The employment bulletin for May was provided to support the statement. Action complete.

Internal Audit proposes to remove this item from the tracker.

11. Projects – Risk Management and Reporting (Place). (Issued to the Audit Committee 10.01.14).

As at April 2014
Internal Audit: This report was issued to management on the 23.12.13. Eight recommendations were agreed in the report and the updated position is produced below. NB: The updated position was requested from the Head of Capital Delivery Service in February, which pre-dates the agreed implementation date for the recommendations. This was at the request of Audit Committee members who were keen to see the 'direction of travel'.
As at June 2014: Internal Audit undertook a follow up review in May 2014 and found that of the eight agreed recommendations, 1 had been satisfactorily implemented and 7 were considered ongoing and not fully actioned. It was acknowledged that fundamental changes to the capital delivery process have been made and recently launched and the audit recommendations have been incorporated into this wider strategic review. The Capital Programme Office process was under development, and once in place this will be supported by capital gateways/ reviews. The Head of Capital Delivery Service has agreed a revised timeframe (July 2014) for the implementation of the remaining 7 recommendations. It is suggested that an overarching report be brought by the Head of Capital Delivery Service to the Audit Committee to outline the strategic change to Capital

Delivery arrangements, rather than try to capture this on a recommendation by recommendation basis.

As at January 2015: The Head of Capital Delivery Service provided an update to the November Audit Committee meeting, where the Committee noted and agreed the progress made.

Internal Audit proposes to remove this item from the tracker.

<u>**12. Freedom of Information Arrangements (Resources).**</u> (Issued to the Audit Committee 02.12.13).

As at November 2013
Internal Audit: This report was issued to management on the 23.10.13.
As at 3rd March 2014: 13 recommendations were agreed in the original report, and the updated position is reported below. NB : A new process for Freedom of Information requests has been outlined which captures the recommendations raised in this audit report. The new process will be introduced from April 2014, and as a result 11 of the original recommendations made have revised implementation dates.
As at January 2015: Internal Audit undertook a follow up review in September 2014 and the updated position is recorded in the box below

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
12.1	A new model is proposed: 1. A central point would be established and would be responsible for: - the customer facing interfaces within the process - receiving the requests, acknowledging requests, allocating requests to Portfolios, monitoring and reporting on the progress of requests, sending out the information once collated. - providing accurate and timely monitoring information to Officers to allow them to monitor the process effectively within the Portfolio. 2. The Directors of Business Strategy	Critical	John Curtis	31.01.14 Revised Date 30.04.14	<u>3rd March 2014 provided from John Curtis, Head of Information and Knowledge Management</u>. A number of workshops have been held to assess and review the FOI process. A new process has been outlined and agreed with the Executive Management Team, and portfolio representatives. This new process establishes a new information Governance Model whereby all requests will initially be reviewed and handled centrally. This will be introduced in April 2014. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** A new process is now in place and to date we have seen a significant improvement in meeting our statutory duty

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
	would be responsible for: - ensuring that there are adequate processes in place across Portfolios to provide the information required and to ensure quality control processes. They should have in place a process and structure that ensures that FOI requests are responded to efficiently and effectively. 3. The Information Governance Team would be responsible for: - advising on complex cases (when requested) that are outside the skills/knowledge base of the Portfolio. This may include refusal notices etc. - Training on the requirements of the law. 4. Individual officers would be responsible for: - cooperating with the process and providing the information required. All roles and responsibilities should be clearly defined, documented and shared with all relevant parties.				(responding within 20 working days). This is currently at 93% which is significantly higher than what we achieved previously. A number of letter templates have been devised to support the process and consistency. This includes, letter templates where exemptions maybe appropriate. The Information and knowledge management team also provide assistance and advice and commonly draft the refusal notices. All refusal notices are being quality assured by the central team to ensure that they are correctly and appropriately used. A Standard Operating Procedure, Process Map and Policy support the overall process and outlines roles and responsibilities, as well as escalation. **As per Internal Audit follow up report 30 September 2014** A new model is now embedded across the Council. This has resulted in overall performance improvements which have resulted in just over 90% of cases being responded to within the statutory 20 working days. A new policy, process map and standard operating procedure, alongside training for FOI representatives, have been key to this improvement. Central logging and overall management of the FOI process has also meant a consistent process and reporting/logging of requests. **Action Complete**
12.2	Once the new process for FOI has been established, the Policy should be amended to reflect this.	High	John Curtis	31.01.14 Revised Date 31.03.14	A new policy has been drafted and will be assessed at the next Information Governance Board (IGB). This will be presented to the IGB in March 2014. **Update as at 20th May 2014 provided from John Curtis, Head**

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
					of Information and Knowledge Management.

A new policy has been agreed.

As per Internal Audit follow up report 30 September 2014

A new policy is in place which also includes a process map and standard operating procedure.

Action Complete |
| 12.3 | Where Portfolios are not meeting the targets, this should now be fully investigated. Where there is clear evidence of complexity of process, this should be rectified by review and simplification wherever possible. Where there are clear resourcing issues, this needs to be monitored and reported to the appropriate manager. Gathering estimates of staff time allocated to answering the requests will aid the process of resourcing appropriately.

It is important that the individual requesting the information is contacted upfront to acknowledge receipt of the Freedom of Information request and to explain the process. Where delays occur, the requestor should be informed of this as soon as possible as regular communication may stop complaints. As all FOI requests must be answered, it is important that resources are allocated appropriately as complaints tend to increase calls on resources. | High | John Curtis | 31.01.14

Revised Date 30.04.14 | The new information governance model to be adopted proposes the use of standard, workable and consistent templates to be used. This will support consistency in our approach around refusals. This will be developed in March/April 2014.

Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management

The new tracker system records if a request is late what the reason has been. This will assist with understanding why something was delayed and should assist with reducing any reoccurrence. All requestors receive confirmation of their request. If it is anticipated that there may be a significant delay in response, the requestor will be informed.

As per Internal Audit follow up report 30 September 2014

Overall performance has improved to just over 90% in the first three months.

Action Complete |

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
	The implementation of a consistent and streamlined process across all Portfolios will ensure that all Portfolios can meet the desired target.				
12.4	The process for refusals needs to be workable, appropriate and consistent. The central team should know where previous similar requests have been refused and the reasoning behind this. This information can then be passed to the Portfolio (the Portfolio should know if any circumstances have changed that would facilitate the providing of the information). A nominated individual within the Portfolio should make an informed decision on whether a refusal is appropriate. A decision should be made on whether the Portfolio should prepare the refusal notice (and who will authorise this) or whether this is a role to be undertaken by the Information Governance Service. For consistency, once the refusals have been prepared and approved, these should be recorded and sent out by the central point. We need to clearly monitor when we make such decisions as the Council should provide information where it is available and should not discriminate against individuals. The question should be raised that if we are refusing a request from a member of the public, would we refuse the same request coming from an MP or the press.	High	John Curtis	31.01.14 Revised Date 30.04.14	A workshop was held with portfolio representatives which assessed overall what the council wide and portfolio requirements were. A requirements document was produced and has been assessed. A newly developed SharePoint site is being developed. This will be in March/ April 2014. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** All requestors are responded to in a fair and transparent way. Refusals are drafted commonly by the central team and all refusals are quality assured by the team to ensure consistency in approach. We will review where refusals have been used and develop further training in this area as appropriate. **As per Internal Audit follow up report 30 September 2014** Refusal notices and templates for partial and full exemptions are now in place. The information and Knowledge Management Team overall assess with the service areas whether or not it is in the public interest to provide the information and where appropriate, draft exemptions (full or partial). **Action Complete**
12.5	A review of how SharePoint is being used must be undertaken. Again, there needs to be a consistent approach applied that is fit for purpose. A review needs to be undertaken of what systems the Council	High	John Curtis	31.01.14 Revised Date 30.04.14	A workshop has taken place looking at the councils requirements for a system to support the FOI process. A requirements specification was drafted and has been reviewed. Overall a newly developed SharePoint site has been created and is being modified for April 2014.

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
	already has in place that can monitor and report on activity and whether these would be more suitable for managing FOI requests. All staff involved in the FOI process should ideally use one system that can log and track the requests through the whole process. Staff should use this system consistently and be trained to do this.				**Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** One council system is in place and is being used. Some changes have been made to develop the system further. A further meeting is taking place with all FOI representatives across the council to discuss the system and process. **As per Internal Audit follow up report 30 September 2014** Sharepoint is used to log and track FOI requests. This has helped with performance management. **Action Complete**
12.6	The process for responding to information requests is similar in Portfolios but the level of staff involvement differs. A sample should be obtained of information request responses from each Portfolio and the cost of producing these responses. There should be a consistency of approach and cost. It is obvious that the cost of involving Directors is always significantly higher than utilising business support staff. It would appear appropriate that the process should be a business support role, within a framework, which highlights where decisions need to be escalated.	High	John Curtis	31.01.14 Revised Date 31.07.14	We are assessing what information can be collated and presented regarding FOI Requests. This will also try to assess the costs of responding to requests. A meeting has taken place with Communications to see if some information can also be made available via the internet. This will be developed Late Spring/ Early Summer. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** This is ongoing. It will be challenging to assess the total cost relating to responding to requests is, but we will try to calculate indicative costs. **As per Internal Audit follow up report 30 September 2014** The post holder for Housing is now based within the Information and Knowledge Management Team. Overall, portfolios have

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
					stated that the new process is more effective and efficient. **Action Complete**
12.7	There should be a clear protocol for training requirements. Once the new process for FOI has been established, focused and specialised training should be provided to the limited number of staff who manage and deliver the FOI processes within Portfolios and potentially, for staff who will form the central point for logging and closing the FOI requests.	High	John Curtis	31.01.14 Revised Date 31.12.14	Training has been mandated for all Portfolio representatives and admin support. There will be a refresh of Information governance training for all staff. This will be developed over 2014/2015. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** It is mandated in the standard operating procedure that any one acting as the portfolio rep should receive training. **As per Internal Audit follow up report 30 September 2014** Overall the Information and Knowledge Management Team are better placed to assess FOI requests and whether or not information should be provided. The team are more effectively utilised and their skills/knowledge has without doubt taken pressure away from other staff who were not always aware of the FOI Act and appropriate sections of the Act that could be applied. **Action Complete**
12.8	The message of the importance of the Council's obligations under the Freedom of Information Act must be shared with staff across Portfolios. Having a Corporate system that monitors refusals can also help to establish any patterns of refusals which are not appropriate.	High	John Curtis	31.01.14	A meeting has taken place with Communications and messages will be within Managers brief and key brief for all staff. This messages outlines at high level the new process and our statutory responsibilities. The Intranet has also being updated to reflect this. This was sent on March 3rd 2014. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.**

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
					This was undertaken as detailed above, and a more robust process has assisted in reminding staff that we have a legal responsibility to respond. A number of other councils have asked to see what SCC has set up. **As per Internal Audit follow up report 30 September 2014** FOI requests are better managed with chasers being undertaken by Business Support. PIROs are engaged when necessary and are seen as an escalation point. **Action Complete**
12.9	Once the new process for FOI has been established, the issues surrounding the ownership of requests should be addressed and Portfolios should be clearly briefed. A 'hub and spoke' model with Portfolio representatives would appear to be a better way to manage this process The Council has 20 days to respond to an FOI request. The following is only an indicator of how this model could work: Day 1-2 - The central team receive, log and distribute the request to the Portfolio. They respond to the requester as appropriate. (This would appear to be a business support role). Day 3-4 - The request is rejected or accepted and is distributed to relevant Officers within service areas for information gathering. Day 5-6 - The request is accepted or rejected (for example, if it will take too long to collate the information etc.)	High	John Curtis	31.01.14 Revised Date 30.4.14	A workshop has taken place with Portfolio representatives and outlining the new process that is being put into place for April 2014. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** Overall the standard operating procedure outlines the process and includes a timeline where business support will send out reminders. **As per Internal Audit follow up report 30 September 2014** The Information and Knowledge Management Team 'own' and manage the process alongside business support who carry out the administration eg: logging and chasing of requests. Overall, there are still FOI representatives who help and assist portfolios across the Council. Performance standards are detailed within the Standard Operating Procedure.

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
	Day 5-14 - The information is collated. Day 15-16 - The response is sent to Portfolio representatives for sense checking.				**Action Complete**
12.10	As noted in previous recommendations, the set-up of a central point for logging all requests should now be fully evaluated. The Council should have a central email and postal address that the public can easily identify and use. All FOI requests, regardless of how they enter the Council, should be diverted to the central point for recording and monitoring.	High	John Curtis	31.01.14	An email address FOI@Sheffield.gov.uk has been established. A page also exists on the internet site to outline to the public this central point of access. This is already in place. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** See above, which is working well. **As per Internal Audit follow up report 30 September 2014** FOI@sheffield.gov.uk is now in place. A clear FOI internet page where a member of the public can request information is now in place. **Action Complete**
12.11	Going forward, information should be provided to the Portfolio representatives on the communications that have taken place with the Information Commissioners Office (ICO). Lessons learnt for the future should be shared with all relevant officers This could potentially be a role for the newly formed central team or for the Information Governance Service who lead on communications with the ICO. This role should be clearly established as part of the new process and the format of the contact set to suit requirements – this may simply be an email circular for example.	High	John Curtis	31.01.14 Revised Date 31.12.14	The audit report has been shared to Portfolio Information Risk Owners and the Information Governance Board. Further updates will be provided regarding the implementation of the new FOI Process. This will be developed over 2014/15. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** The SharePoint FOI tracker now also records when the ICO has become involved with a request. This will provide greater knowledge of the history of the initial FOI request, Internal review and ICO judgement. This information will be shared with portfolios and other appropriate groups so that any trends / and learning can be shared, which may help with future requests and how they are handled. **As per Internal Audit follow up report 30 September 2014**

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
					A FOI representative group exists so that FOI and other associated information management areas can be discussed. **Action Complete**
12.12	Training, as recommended in recommendation number seven, should incorporate the concerns raised by the ICO. Clear advice and guidance should be provided to all Portfolio representatives on what the process should be when a review of the FOI request is required. Any new FOI process should clearly identify how reviews will be dealt with and roles and responsibilities in relation to this should be clearly defined and documented.	High	John Curtis	31.01.14 Revised Date 30.04.14	This will be clear within the guidance and process map. This will be developed in March/ April 2014. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** This is clearly outlined in the process map and standard operating procedure, and has been communicated and used within the training given to FOI representatives. **As per Internal Audit follow up report 30 September 2014** It is intended that Information Governance eLearning will be refreshed. FOI portfolio representatives and others are mandated to receive training related to the FOI Act and SCC process. This is detailed within the Standard Operating Procedure. **Action Complete**
12.13	Any new process introduced for answering FOI requests should clearly identify when it is appropriate to engage with the Information Governance Service and Legal Services. This links to the recommendation already raised on the roles and responsibilities of staff in the new process.	High	John Curtis	31.01.14 Revised Date 30.04.14	This will be clear within the guidance and process map. This will be developed in March/ April 2014. **Update as at 20th May 2014 provided from John Curtis, Head of Information and Knowledge Management.** This is detailed within the standard Operating Procedure and Process map. **As per Internal Audit follow up report 30 September 2014** The new process map and Standard Operating Process makes it

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position
					clear who and when different areas should be involved in the overall process. There are clear lines of responsibility. **Action Complete**

Internal Audit proposes to remove this item from the tracker.

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Audit Committee Report

Report of: Interim Director of Legal and Governance

Date: 8 January 2015

Subject: Work Programme

Author of Report: Dave Ross

Summary:

The report provides details of a proposed work programme for the Committee to April 2015

Recommendations:

That the Committee:-

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

(b) approves the work programme.

Background Papers:

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications	
NO Cleared by:	
Legal Implications	
NO Cleared by:	
Equality of Opportunity Implications	
NO Cleared by:	
Tackling Health Inequalities Implications	
NO	
Human rights Implications	
NO:	
Environmental and Sustainability implications	
NO	
Economic impact	
NO	
Community safety implications	
NO	
Human resources implications	
NO	
Property implications	
NO	
Area(s) affected	
NONE	
Relevant Cabinet Portfolio Leader	
Cabinet Member for Finance and Resources	
Relevant Scrutiny Committee if decision called in	
Not applicable	
Is the item a matter which is reserved for approval by the City Council?	
NO	
Press release	
NO	

WORK PROGRAMME

1.   **Purpose of Report**

1.1   To consider an outline work programme for the Committee to April 2015 and to identify any further items for inclusion.

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 is based around the attached terms of reference and 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.

2.2   An outline programme to April 2015 is set out below. Members are asked to identify any further items for inclusion.

Date	Item	Author
12 February 2015 (Additional meeting if required)	Annual Grants Report 2013/14	Sue Sunderland (Director, KPMG)
12 February 2015	External Audit Progress Report	Sue Sunderland (Director, KPMG)
12 March 2015	Additional meeting if required	
9 April 2015	External Audit Plan 2014/15	Sue Sunderland (Director, KPMG)
9 April 2015	Annual Audit Fee Letter 2015/16	Sue Sunderland (Director, KPMG)
9 April 2015	Internal Audit Plan 2015/16	Laura Pattman (Assistant Director of Finance)
9 April 2015	Audit Commission Report on Protecting the Protecting the Public Purse/Update on Counter fraud initiatives	Laura Pattman (Assistant Director of Finance)
9 April 2015	International Auditing Standards – Compliance with Internal Control/counter Fraud	Laura Pattman (Assistant Director of Finance)

9 April 2015	Strategic Risk Management/ Corporate Risk Register	Richard Garrad (Corporate Risk Manager)

2.3   Meeting dates and a work programme for 2015/16 will be available for the next meeting of the Committee.

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.

Interim Director of Legal and Governance

Audit Committee Terms of Reference (Revised February 2012)

(1)   To approve the Council's Statement of Accounts (which includes the Annual Governance Statement) in accordance with the Accounts and Audit Regulations 2003 as amended.

(2)   To consider and accept the Annual Letter from the Auditor or the Audit Commission in accordance with the Accounts and Audit Regulations 2003 as amended and to monitor the Council's response to any issues of concern identified.

Audit Activity

(3)   To consider the Chief Internal Auditor's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

(4)   To consider summaries of specific internal audit reports as requested.

(5)   To consider reports dealing with the management and performance of the internal audit service.

(6)   To consider any report from internal audit on agreed recommendations not implemented within a reasonable timescale.

(7)   To consider specific reports as agreed with the external auditor.

(8)   To comment on the scope and depth of external audit work and to ensure it gives value for money.

(9)   To liaise with the Audit Commission over the appointment of the Council's external auditor.

Regulatory Framework and Risk Management

(10)   To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and codes of conduct and behaviour (except in relation to those matters which are within the Terms of Reference of the Standards Committee e.g. code of conduct and behaviour of Members).

(11) To monitor the effective development and operation of risk management and corporate governance in the Council.

(12) To monitor Council policies on "Raising Concerns at Work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.

(13) To oversee the production of the Council's Annual Governance Statement and monitor progress on any issues.

(14) To consider the Council's arrangements for corporate governance and any necessary actions to ensure compliance with best practice.

(15) To consider the Council's compliance with its own and other published standards and controls.

Accounts

(16) To consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.