

Audit and Standards Committee

Meeting held 24 January 2019

**PRESENT:** Councillors Josie Paszek (Chair), Simon Clement-Jones (Deputy Chair), Dianne Hurst, Alan Law, Mohammed Mahroof, and Martin Phipps

Co-Opted Member

Liz Stanley

Representing Ernst and Young

Michael Green

Steve Clark

Council Officers

Eugene Walker, Executive Director, Resources

Dave Phillips, Head of Strategic Finance

Kayleigh Inman, Senior Finance Manager, Internal Audit

Tim Hardie, Head of Commercial Business Development

Helen Molteno, Finance Manager, Internal Audit

Tim Sharp, Risk Advisor

**1. APOLOGIES FOR ABSENCE**

1.1 An apology for absence was received from Councillor Pat Midgley.

**2. DECLARATIONS OF INTEREST**

2.1 There were no declarations of interest.

**3. MINUTES OF PREVIOUS MEETING**

3.1 The minutes of the previous meeting of the Committee held on 20 September 2018 were approved as a correct record.

**4. PROGRESS ON HIGH OPINION AUDIT REPORTS**

4.1 The Senior Finance Manager, Internal Audit, submitted a report providing an updated position on implementation of recommendations contained in audit reports issued with a high opinion or a limited/no assurance opinion and high organisational impact assessment.

4.2 Kayleigh Inman, Senior Finance Manager, Internal Audit, outlined the new approach to audit opinions and the new reporting arrangements to the Committee. Anything assessed as no assurance or limited assurance with a high organisational impact would be reported to the Committee. This would ensure Members were able to focus on the key issues affecting the Authority.

4.3 Kayleigh Inman reported that there were no new high opinion audits to report to the

Committee. In addition, no reports with a no assurance or limited assurance, high organisational impact had been issues since November 2018 when the approach to audit opinions changed. There were 4 ongoing critical recommendations included in the tracker report. One issue was in respect of Continuing Healthcare in Learning Disabilities. It was proposed that this item be removed from the tracker and scrutinised as part of the wider Continuing Healthcare review.

4.4 Executor Services had been included in the tracker for the first time within the last report to the Committee. However, all the recommendations had now been actioned and it was proposed that this be removed from the tracker. The report was submitted to the Executive Management Team in early January and they had noted that 37% of the actions were still ongoing but were pleased that actions were being taken/progress was being made.

4.5 Responding to a question from a Member in respect of issues with housing benefits, Kayleigh Inman commented that this could be an error with anything and was not necessarily in relation to the benefit calculation. This was monitored on a quarterly basis. She did not believe that this was a systemic control issue but would check back on the working papers and respond to Members.

4.6 In respect of a question from a Member regarding the processing of housing benefits being brought back in-house, Kayleigh Inman commented that this would be picked up in the planning for the Audit Plan.

4.7 **Resolved:** That:-

(a) the report, now submitted, be noted; and

(b) the following items be removed from the tracker:-

- Executor Services, People Services
- Continuing Health Care in Learning Disabilities, People Services
- Pro-Active Work – Declaration of Interests, Corporate
- Pro-Active Work, Staff Expense Claims, Corporate
- Resource Link Application Review, Resources

## 5. **UNIVERSAL CREDIT**

5.1 Tim Hardie, Head of Commercial Business Development, attended the meeting to provide an update on the latest position in respect of Universal Credit. He reported that Sheffield was one of the last cities to move to a full rollout in respect of Universal Credit. It was too early to say what the impact had been in Sheffield but lessons could be learnt from the impacts in other cities.

5.2 It was a challenge to the Council as the scheme was run by the Department for Work and Pensions (DWP) and the Council had to react to any issues arising from it. There had been a Universal Credit Partnership established including representatives from the DWP and the Voluntary Sector which was a good example of partnership working.

- 5.3 Mr Hardie added that one of the biggest challenges was that Universal Credit could only be applied for online and support needed to be provided in places such as job centres and libraries where people could access online services. Officers were compiling data and dashboards around key matrix of the impacts. It was hoped that this would be completed by now although this was still in progress.
- 5.4 Responding to a question from a Member regarding constituents' queries regarding issues with Universal Credit, Tim Hardie stated that it was important that Members were aware that any issues should be referred to the DWP or the Job Centre as there wasn't anything that the Council could do. Council tenants should, however, contact the Council if there had been delays caused by the rollout in paying rent. There was information on Universal Credit available on the Council's website. Rates of Council Housing evictions were being monitored and the Universal Credit Partnership was a good forum for monitoring food bank usage.
- 5.5 In response to a further question from a Member, Tim Hardie commented that the Partnership had mapped the level of digital support available. He acknowledged that certain parts of the City would have less coverage than others. He would circulate the mapping document to Members.
- 5.6 The Chair, Councillor Josie Paszek, commented that it was important to support those who were more vulnerable to criminal elements such as door to door money lenders. She requested that Tim Hardie clarify if the Credit Union was part of the Universal Credit partnership.
- 5.7 In conclusion, Tim Hardie stated that the impact of Universal Credit would be monitored over the next couple of months and he would report back to a future meeting of the Committee.
- 5.8 **Resolved:** That the presentation be noted and a further update be provided to a future meeting of the Committee.

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

- 6.1 **RESOLVED:** That the public and press be excluded from the meeting before discussion takes place on the following item of business (Strategic Risk Management) 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 paragraph 3 of Schedule 12A to the Local Government Act 1972, as amended.

## **7. STRATEGIC RISK MANAGEMENT**

- 7.1 The Finance Manager (Internal Audit) and the Risk Advisor introduced a report and gave a presentation providing an assessment of the Council's current Risk Management arrangements and the measures implemented to further strengthen and improve them and the current and emerging risks, their impact on service delivery and the controls in place to manage them.
- 7.2 The Finance Manager, Internal Audit, Risk Advisor, Head of Strategic Finance and

the Executive Director, Resources responded to questions from Members of the Committee in relation to Cloud Based Technology, Adult Social Care, Academies and Business Rates.

7.3 **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 trends in management of risks; and
- (c) notes the current and emerging risks and endorses the actions being taken to mitigate those risks.

**8. WORK PROGRAMME**

8.1 The Director of Legal and Governance submitted a report providing details of an outline work programme for the Committee for the period January-July 2019.

8.2 **Resolved:-** That the Committee's work programme for the period January – July 2019 be approved subject to the inclusion of an additional item at the June meeting on Standards, including the Code of Conduct for Cabinet Members and the Lord Mayor, and the Standards Committee Annual Report be submitted to the July meeting of the Committee.

**9. DATES OF FUTURE MEETINGS**

- 9.1 It was noted that meetings of the Committee would be held at 5.00 p.m. on:-
- 21 March 2019 (additional meeting if required)
  - 18 April 2019
  - 13 June 2019
  - 25 July 2019