

Audit and Standards Committee

Meeting held 19 December 2019

PRESENT: Councillors Sioned-Mair Richards (Chair), Angela Argenzio, Adam Hurst, Mohammed Mahroof, Pat Midgley and Josie Paszek

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1. APOLOGIES FOR ABSENCE

1.1. Apologies for absence were received from Councillor Simon Clement-Jones, Independent Co-Opted Member - Elizabeth Stanley, Independent Person - Jo Cairns and Eugene Walker – Executive Director of Resources.

2. EXCLUSION OF THE PRESS AND PUBLIC

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

3. DECLARATIONS OF INTEREST

3.1 No declarations of interest were made.

4. MINUTES OF PREVIOUS MEETING

4.1 **RESOLVED:** That, subject to Liz Stanley being identified as an Independent Co-Opted Member, the minutes of a meeting of the Committee held on 24th October 2019 were approved as a correct record.

5. ANNUAL OMBUDSMAN REPORT UPDATE

5.1 Paul Taylor (Head of Customer Services), Ben Marston (Service Delivery Manager) and Alex Westran (Complaints Manager) were in attendance at the meeting to present the report.

5.2 Ben Marston informed the Committee that a new Customer Relationship Management (CRM) system was due to go live in March 2020. The system would replace two other systems and a complaints module was being developed which would make it easier to keep track of the status of complaints. It was hoped that the complaints module would go live in June 2020.

5.3 Paul Taylor explained that a new classroom course ‘Customer Complaints – Effective Handling’ had been launched and so far there had been 30 learners over three sessions, with three more sessions booked in the new year. The service had also been in attendance at Executive Management Team to encourage roll out of the process throughout portfolios. This was to encourage Managers to own the process.

5.4 Councillor Argenzio asked how staff could be encouraged to attend the training

and whether there was a 'mock up' of the complaints process that Councillors could use to feed back on the process. Ben Marston explained that the training course had been put together with the help of the Learning and Development Team.

- 5.5 Councillor Adam Hurst asked what proportion of ombudsman complaints went direct to the ombudsman without trying the Council's complaints process first, why was the department not meeting it's deadlines, how were lessons learned being publicised and whether a Member of the Committee could attend the training. Paul Taylor felt that it would send a powerful message if a Committee Member attended the training.
- 5.6 Councillor Mohammed Mahroof commented on the struggle that residents had to speak to a person about Council Tax. Paul Taylor reminded Committee that Revenues and Benefits, including Council Tax, was to be insourced from Capita at the beginning of 2020. A new telephony system was to be introduced in February 2020 which, amongst other things, would enable callers to be told roughly how long they may be waiting for their call to be answered. It was hoped that the Council would then be able to address the issue of long telephone wait times.
- 5.7 Gillian Duckworth, Monitoring Officer, advised Committee that the Council was embarking on a digital Acceleration project to try to put more services online which would mean that those who wished to could use online forms etc. which would free up telephones for those who preferred to speak about their issue.
- 5.8 In response to a question from Councillor Josie Paszek, Alex Westran informed Committee that complaints were monitored and tracked. The learning was also tracked to ensure it took place, this included ombudsman complaints. It was quite a cumbersome process at present, but a module had been purchased with the new CRM system which would allow better monitoring and tracking of complaints. Overseeing ombudsman complaints was part of the role and ensure that the necessary changes were made.
- 5.9 The Chair asked whether there would be the possibility of a 'call back' facility within the new telephony system. It was explained that the new system would give the Council this possibility, but resourcing needed to be investigated. Paul Taylor noted that there was a need to ensure sufficient resources were in place and Customer Services was considering the possibility of increased evening and weekend working.
- 5.10 The Chair asked whether the staffing shortage in Housing Repairs, which had resulted in a high level of complaints, had been resolved. Paul Taylor explained that a lot of time had been spent creating a new Target Operating Model to improve the interface with the repairs team.
- 5.11 Councillor Angela Argenzio asked whether agency staff were trained and how weaknesses in the service could be improved. Alex Westran explained that there was nothing to suggest that training of agency staff was an issue. There were now enough resources within the complaints team so use of agency staff was limited.

5.12 Alex Westran informed Committee that online forms would also make it easier for customers to provide feedback. Positive feedback and compliments were good for staff morale and were included within the staff newsletter.

5.13 **RESOLVED:** That the Committee accepts the report on the performance of Ombudsman complaints and notes the issues raised.

6. INFORMATION GOVERNANCE ANNUAL REPORT

6.1 Mark Jones, Senior Information Management Officer, attended the meeting and presented the report.

6.2 The report included the Annual Information Governance Report for 2018/19 and provided a brief update to the key information governance activities carried out since April 2019. Information governance was an umbrella term which included data protection, freedom of information and subject access requests etc.

6.3 So far in 2019/20, the Council had handled 230 Data Protection Subject Access Requests and it was explained that the number of requests had increased and performance had improved and stabilised. 1198 Freedom of Information Act and Environmental Information Regulations requests had been handled and the performance target was being met.

6.4 138 information security incidents had taken place, which was equivalent to 17 per month. This was lower than last year and it should be noted that in an organisation the size of Sheffield City Council, with the number of processes, employees, partner agencies, systems and customers, it was not possible to eliminate incidents. However, appropriate measures were taken to minimise risks when handling information. Staff were encouraged to report incidents as they occurred and to learn from any mistakes. Only three incidents had been referred to the Information Commissioners Office (ICO), all of which were now closed with only minor recommendations.

6.5 62% of staff had now completed the essential learning and a talked course was now on offer which gave an opportunity to ask questions.

6.6 The Council needed to be open and transparent, but sometimes unnecessary information would become a risk. The Council should look at the information that was kept and work towards compliance.

6.7 Councillor Paszek asked whether there had been any breaches that had resulted in identity theft. Mark Jones stated that he was not aware of any identity theft from breaches and there was guidance available for the redaction of documents if needed.

6.8 Councillor Argenzio asked how it could be ensured that staff attended the appropriate training and noted that Councillors also needed training on how to keep data secure and cyber essentials. Mark Jones explained that the training had been formulated with Human Resources Learning and Development and

more details were available on the intranet. There was a need to ensure that the training was right. The ICO had the power to force the Council to be compliant and individuals also had the right to make a claim.

- 6.9 Gillian Duckworth explained that manager compliance was an issue in the Annual Governance Statement and there was a need to ensure that the training was fair and reasonable and the content recent and relevant. A lot of effort was being put into the development of managers within the Council. Openness and transparency, along with document management and engagement with customers was also being worked on.
- 6.10 **RESOLVED:** That the report be noted and an annual report be presented in future.

7. PFI OBJECTION REPORT

- 7.1 Dave Phillips, Head of Strategic Finance, presented a report which summarised the findings of the Council's previous external auditor's, KPMG, review of an objection to the 2016/17 accounts, into the Council's Private Finance Initiative (PFI) Schemes.
- 7.2 KPMG concluded that the Council did have the legal powers to enter the PFI contracts and the Council did not act unreasonably or irrationally when entering into the contracts.
- 7.3 The objector had been informed of the decision and had not objected within the relevant timescale.
- 7.4 **RESOLVED:** That the report be noted, along with the contents of the auditor's Final view, including the positive conclusions in respect of the objection.

8. OUTSTANDING AUDIT REPORTS FROM KPMG FOR THE FINANCIAL YEARS 2016/17 AND 2017/18 (ANNUAL AUDIT LETTER 2016/17 AND 2017/18, AUDIT CERTIFICATE 2016/17 AND 2017/18 AND ANNUAL REPORT ON GRANTS AND RETURNS 2017/18) AND AUDIT CERTIFICATE ON 2018/19 FROM ERNST AND YOUNG

- 8.1 Dave Phillips presented the report which informed Committee that as a result of the now resolved PFI Objection, KPMG were now able to issue Annual Audit Letters for 2016/17 and 2017/18, Audit Certificates for 2016/17 and 2017/18 and the Annual Report on Grants and Returns for 2017/18. The Council's current external auditor's, Ernst and Young, had also issued the 2018/19 Audit Certificate.
- 8.2 The issuing of the Annual Audit Letters for 2016/17 and 2017/18, Audit Certificates for 2016/17 and 2017/18 and the Annual Report on Grants and Returns for 2017/18 now concluded the work of KPMG for the Council.
- 8.3 **RESOLVED:** That the outstanding annual reports for 2016/17 and 2017/18 be noted and that the audit certificate for 2018/19 be noted.

9. OUTCOMES OF THE INTERNAL AUDIT MID-YEAR REVIEW OF THE ANNUAL PLAN

9.1 Kayleigh Inman, Senior Finance Manager (Internal Audit) presented the report which informed Committee of the outcomes of the mid-year review of the annual work plan.

9.2 There had been a significant change to the plan due to sickness levels and staff shortage within the department. A recruitment exercise had been unsuccessfully undertaken to try to ease the burden on existing staff. The number of audits to be undertaken was to be reduced by 22% and it was hoped that the department would be fully staffed for the end of the 2019/20 financial year. Each portfolio still had coverage and key risk areas would be audited.

9.3 **RESOLVED:** That (1) the report be noted; and
(2) the revised 19/20 work plan be agreed.

10. WORK PROGRAMME

10.1 Gillian Duckworth noted that the July 2020 meeting had been moved to 30th July 2020 at the request of Ernst and Young.

10.2 Due to the forthcoming workload, it was suggested that the standards items on the workplan be moved to the February meeting of the Committee.

10.3 The Annual Audit Letter would be added to the January meeting and the Formal Response to Audit (ISA 260) Recommendations Report should be moved to the April meeting.

10.4 **RESOLVED:** That, with the proposed amendments, the Work Programme be approved.

11. DATES OF FUTURE MEETINGS

11.1 It was noted that meetings of the Committee would be held at 5.00pm on:-

Thursday 23rd January 2020

Thursday 20th February 2020

Thursday 19th March 2020 (additional meeting, if required)

Thursday 16th April 2020

Thursday 11th June 2020

Thursday 30th July 2020

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