



**SHEFFIELD CITY COUNCIL  
UPDATED POSITION ON HIGH OPINION AUDIT REPORTS**

**1. Audit Report: Data Protection (Sheffield Homes). Issued 21/04/2011.**

**Overview:** The Data Protection and Freedom of Information policies and procedures adopted by Sheffield Homes were examined within the audit. The review was initially delayed due to difficulty in obtaining meetings/information necessary to progress testing. Whilst policies and procedures were generally found to be appropriate and adequate for their purpose there were no specific arrangements in place for periodic update/review.

The audit was allocated a high risk opinion because specific roles and responsibilities had not been formalised and the roll out of training to Sheffield Homes staff had not been completed due to programme slippage. At the conclusion of the audit it was agreed with Sheffield Homes management and the Audit Committee that Internal Audit would complete an additional review during 2011/12 to provide assurance on the implementation of the programme/training and the agreed actions.

**Management Summary Actions:**

- Compliance with Data Protection and Freedom of Information policies within Sheffield Homes should be periodically reviewed
- Data Protection and Freedom of Information Committee should be established
- A Data Protection and Freedom of Information training and awareness programme should be promptly defined and implemented
- All staff should be formally made aware of Data Protection and Freedom of Information Laws
- Disciplinary action as a result of breaches to the Data Protection Policy should be clearly defined within the policy
- A Data Protection Officer should be identified and their responsibilities clearly defined.

**Updated position as at 20 April 2012**

Internal Audit: No further update requested from the responsible Director as follow up audit work was undertaken in January 2012. Internal Audit found that 9 out of the 10 agreed recommendations contained in the report had been implemented. The remaining recommendation (given a medium priority rating) related to the periodic review of data protection and freedom of information systems. It was stated by Sheffield Homes management that once all the staff training was completed that management were to present the review options to their Information Communication Technology Board – this was anticipated to be presented in April 2012.

## **2. Audit Report: Electoral Services (Deputy Chief Executives). Issued 19/01/2011.**

**Overview:** To provide a comprehensive elections service for the eligible voters of Sheffield. This ranges from fully maintaining the Electoral Register to ensuring there is an efficient Elections Process. A high opinion was given due to a number of high priority recommendations in key risk areas identified at the time of the audit. Management responded very positively to the audit and have provided assurances that recommendations from both an internal review and the internal audit have already been or have started to be implemented.

### **Management Summary Actions**

- As part of the planning process, consideration needs to be given to succession arrangements
- A full report should be completed after every general and local election. This should include but not be limited to a review of Polling stations, the voting process, the planning process, staffing and stakeholder feedback
- There should be two comprehensive business continuity plans for Electoral Services. One for the general day to day Electoral Services and one specifically for the Electoral Process
- The business continuity plan should be reviewed at least on an annual basis or whenever changes occur that will impact on it.
- The financial budget for Electoral Services should be drawn up using a rational basis.
- There should be a thorough review of the admin fees paid to Electoral Services staff for work on the elections process.
- All staff working on the elections should be required to sign a code of conduct.
- There should be an adequate number of Poll Clerks allocated to each Polling Station to ensure that all electors receive a prompt and efficient service.
- All employees working on the election should have the right to work legally in the UK as defined in the Immigration, Asylum and Nationality Act 2006.
- There should be a policy in place for handling all breaches of security
- Where applicable the appropriate staff should receive fraud risk awareness training
- The number of electorate allocated to each polling station should be analysed to ensure that the maximum recommended by the Electoral Commission is not exceeded on a frequent basis.
- An examination should take place of all Polling Stations prior to the Polling Day to ensure that they are still suitable for use.
- Every attempt should be made to ensure all Polling Stations are accessible to all electors.
- Polling Station layout to be prepared in advance - thus ensuring optimal layout for voter through-flow and comfort.

### **Updated position as at 20 April 2012**

Internal Audit: No further update requested from the responsible Director as follow up audit work was undertaken in March 2012. The follow up review found that all 15 recommendations had been actioned. It was reported that in addition, further review work was being undertaken, led by the Head of Governance and Involvement that would not be fully completed until 2013.

### **3. Audit Report: Financial Management Information From Trusts (Place). Issued 28/02/2011.**

**Overview:** A review was undertaken of the financial and performance management information being received from Trusts. The audit covered whether financial and performance monitoring was being carried out against agreed targets and results regularly reported to management. For the purpose of the review, Internal Audit focussed on Sheffield International Venues and Sheffield Industrial Museums Trust. Information was not made available in relation to Sheffield Theatres and Management were advised to consider extending the recommendations to Sheffield Theatres Trust. The audit was given a high opinion due to the number of recommendations made with regard to financial and performance monitoring controls and service planning.

#### **Management Summary Actions**

- Monthly financial information submitted by the Trusts should be subject to detailed review, monitoring and analysis
- Financial information received should be subject to review to ensure all relevant detail and information is included
- Consideration should be given to introducing further performance indicators in addition to those set around visitor/ attendance figures
- There should be a defined monitoring and reporting framework in respect of the monitoring of the financial and non financial performance of the Trusts
- The findings and recommendations arising from the Sheffield Galleries and Museums Trust review should be considered and applied where appropriate to the other Trusts to ensure a uniformity of good practice.
- Succession planning should be put in place, with the reduction in hours of the Business Development Manager.\*
- Management should undertake an exercise to identify all the risks presented by the relationships with each of the different Trusts.
- Financial values, forming the basis of risk evaluation, should also be verified by management to ensure they are realistic for each of the individual risks identified\*
- Revised Service Level Agreements to be put in place with each trust to ensure the provision of robust monitoring information.\*

#### **Updated position as at 20 April 2012**

Internal Audit: No further update requested from the responsible Director as follow up work was undertaken in March 2012. The follow up review found that 6 out of the original 12 agreed actions had yet to be implemented, of which 3 (actions indicated with an \* above) had been given a high priority rating. This was reported to the Executive Director Place.

**4. Audit Report: Urban Traffic Control (Place). Issued 30/06/2010.**

**Overview:** Urban Traffic Control application is to integrate and co-ordinate traffic signals across Sheffield. The application reviews examines the management not of the whole service, but of the urban traffic controls system. Significant problems were encountered in obtaining information, which led to time delays and required the support of the relevant Executive Director to complete the review. The review was rated as high, as certain key controls such as access controls were found to be set so as to permit wide access. The Executive Director has agreed to monitor the implementation of the agreed actions.

**Management Summary Actions**

- A Traffic Information and Control (TIC) risk register and business continuity plan to be formally documented and authorised. This will be reviewed annually. The current identified risks to be re-visited and omissions rectified.
- The business continuity plan to incorporate disaster recovery arrangements and to be shared with Business Information Solutions.
- Clarification of roles and responsibilities within the service area. These will be included in the TIC operations documentation.
- Appropriate training provided for new starters including the preparation of a user manual for any new staff members.
- Access level control implemented for new members of staff.
- The protocol for recording changes to the system to be reviewed and documented.
- Access which can be gained to the system outside of the control centre to only be obtained from password protected terminals connected over VPN links.
- System back up arrangements to be documented as part of the user manual.

**Updated position as at 20 April 2012**

Internal Audit: Additional factors that need reviewing have been brought to the attention of Internal Audit. A piece of work is underway to look at these factors and this will encompass the recommendations raised in the original report.

### **5. Audit Report: Creative Sheffield – application of procedures (Place). Issued 13/07/2011.**

**Overview:** Creative Sheffield (CS) is currently established as a company limited by guarantee; however Sheffield City Council (SCC) is the accountable body for external funding provided by Yorkshire Forward (£2m per year). Internal Audit were informed that, as a result of Yorkshire Forward ceasing to fund the company, CS will be brought back under the control of the Council, as a branded unit. A number of high risk issues were identified throughout the review, which will be largely mitigated by compliance with the Councils' established policies, procedures and processes, upon integration.

#### **Management Summary Actions**

- Management will need to ensure that SCC policies and procedures are complied with, once Creative Sheffield has been brought in-house.
- All financial management arrangements should be fully documented, including details of the roles and responsibilities of both SCC and CS.
- A project management framework should be finalised and put in place. Quantifiable deliveries e.g. job creation, business creation and business support should be defined for all projects. Progress against these defined deliverables / outputs should be reported on a regular basis.
- Recruitment should be carried out in accordance with SCC policy.
- SCC Relocation Policy should be followed; however this does not cover international moves. It should be ensured the correct tax treatment has been applied to all previous payments of relocation expenses.
- Financial obligations with regards to potential redundancy costs and pension liabilities should be considered as part of the succession planning. All redundancy packages should be approved by SCC.
- A defined performance management framework should be finalised and agreed.

#### **Updated position as at 20 April 2012**

Internal Audit: No further update requested from the responsible Director as follow up work was undertaken in March 2012. The follow up review found that a number of recommendations were outstanding for both Creative Sheffield and Marketing Sheffield\* Internal Audit subsequently met with the Director Creative Sheffield and the outstanding 5 actions (that related to Creative Sheffield), were discussed and it was agreed that these were to be actioned by September 2012.

Internal Audit, however, did not receive a response or any evidence from the Director of Marketing Sheffield, therefore could not provide any assurance to the Executive Director Place that controls were in operation within Marketing Sheffield. This was reported to the Executive Director in February 2012 and at the Executive Management Team meeting of 22<sup>nd</sup> May 2012. An audit review is planned for Marketing Sheffield as part of the 2012/13 plan.

\* Since the original audit report Creative Sheffield has been incorporated into the Council (within Place) and has 'evolved' into two distinct services (Creative Sheffield and Marketing Sheffield) hence, the requirement to carry out follow up work in both services; to ensure the original recommendations had been implemented.

**6. Audit Report: Performance Monitoring Process (Deputy Chief Executives). Issued 13/07/2011.**

**Overview:** An audit was undertaken on the performance monitoring process which is in place to monitor the performance of the Council and report to a number of internal and external bodies. Five recommendations were made and subsequently agreed. The audit was given a high opinion due to the high priority given to all the recommendations

**Management Summary Actions**

- There should be a comprehensive documented Performance Monitoring Process. This should cover as a minimum;
  - how performance targets are established/how performance is measured against these targets/the challenge and review process/ how the Performance Plus system is used/roles and responsibilities of users and managers within the Performance Monitoring Process, the relationships between the Portfolio and Corporate Performance Monitoring Teams.
- Once completed and formally approved by strategic management, the Performance Monitoring Process should be rolled out to all relevant parties with consideration given to the training requirement of each user or manager.
- The Performance Monitoring Process and all policies relating to it should be formally submitted to EMT for approval.
- All client portfolios should be notified that all user accounts need to be deactivated immediately to prevent erroneous access.
- There should also be a periodical check by the Performance Plus to ensure that all users are current Council officers or authorised personnel
- The Performance Monitoring Process should provide for the periodic production and review of Performance Plus reports that highlight inconsistencies or manipulation of data.
- Significantly unexplained changes in RAG ratings should be investigated and any instances of deliberate manipulation of performance data should be reported to the relevant portfolio director.

**Updated position as at 28 April 2012**

Internal Audit: A follow up audit is to be undertaken early in Quarter 1 of 12/13 plan. Additionally the Performance Plus system is to be a specialist/discrete area of the 12/13 plan and will involve testing of the system across all council portfolios.

Directors response: Five recommendations were agreed. The Corporate Performance Manager reported that 2 out of the 5 had been fully implemented, and progress was being made with the remaining 3 recommendations – and these were expected to be completed by the end of May 2012. He stated “progress has been made in documenting the full performance management process, and this is expected to be completed by the end of May 2012. Upon completing this documentation, this will be formally approved by EMT, and rolled out to all relevant parties - although it should be noted that, because this is mainly an amalgamation of existing documents, most of the practices are already embedded across the Council”.

### **7. Audit Report: Critical Incident Planning (CYPF). Issued 20/06/11.**

**Overview:** The objectives of Critical Incident Planning are to ensure that a robust process/policy is in place for all CYPF services to follow in order to ensure that all critical incidents are identified, reported, documented and appropriate remedial action taken where necessary. This audit covered schools and other external locations in addition to all central CYPF service areas.

Since the audit was completed, Management stated that significant progress has been made with regard to the joint Emergency Planning Service with Rotherham. In addition, a Portfolio-wide Contingency Planning Manager is being recruited to work within Business Strategy. It is envisaged that the remit of the Contingency Planning Manager is to co-ordinate and promote Emergency and Critical Incident Planning across CYPF.

#### **Management Summary Actions**

- Senior Management Team of CYPF should work towards developing a Critical Incidents Policy (CIP) to include all CYPF services and establishments
- There should be a regular review and update of the CIP in light of any incidents. The policy should state the timescales for review. Any incidents should be followed-up and outcomes should be reported to the CIP team to be incorporated into future Critical Incident Policies. Any revisions to the CIP should be reported to Senior Management for approval.
- The school Critical Incident Plan template should be amended to define what constitutes a 'critical incident'.
- The school Critical Incident Plan template should be amended to require all schools to report all critical incidents irrespective of whether they obtained assistance from the Local Authority.
- There should be regular checks and verification that Critical Incident Plans are in place in all schools.
- The Service should clearly identify stakeholders and establish effective lines of communication to ensure procedures and practices are shared and all parties are aware of their roles and responsibilities
- The Service should ensure that all critical incidents are reported through a central channel, irrespective of whether LA assistance is requested. The use of standard documentation for this would ensure that sufficient detail is recorded for monitoring and reporting purposes.
- The central record should be reviewed and shared with relevant parties to ensure lessons are learnt.
- Where applicable, recommendations should be made and implemented to ensure any 'lessons learnt' are integrated into future policies and communicated across the service.

<b>Updated position as at 28 April 2012</b>
Internal Audit: A follow up audit is planned for quarter 1 for 2012/13.
Directors response: The Critical Incident Planning Audit Report originally made 13 recommendations - of which 9 were agreed. Internal Audit subsequently met with the Director Business Strategy and the CYPF Business Continuity Lead Officer and statements were gathered on each of the agreed recommendations to gain an understanding of the progress made. It was stated that all 13 recommendations (9 that had been agreed and 4 that were not agreed at the time) from the original report had been actioned. Some of these actions were of an ongoing nature, however, and were scheduled to be completed by July 2012. Additionally, to add further robustness to the emergency planning support offered a 'traded service' for schools had been set up - this was an enhanced package available to all schools and other educational/care establishments. At the time of the update, 36 schools had committed to the package.

UPDATE ON AUDIT REPORTS ISSUED IN FULL TO THE AUDIT COMMITTEE SINCE 1<sup>ST</sup> DECEMBER 2011**1. Audit Report: Cash Handling Appointeeships in Residential Homes (Communities). Issued 20/02/12.**

**Overview:** the audit was given a high opinion due to the nature of the audit (ie: the responsibility for the handling of client's monies within residential homes), and the 12 recommendations made - of which 4 were given a high priority rating.

**Updated position as at 20 April 2012**

Internal Audit: A follow up audit is to be undertaken in quarter 2 of the 2012/13 audit plan. Additionally a review is to be undertaken of the Adult Social Care Accounts Service – of which the team and officers responsible for dealing with Appointeeships is part.

Directors response: The Director Care and Support, Communities stated:

"The original report contained 12 agreed recommendations. Of these, 11 have been implemented. One recommendation regarding care home managers knowledge of their role/responsibilities on appointeeships was still being progressed - with an end date of June 2012 in place". The Director confirmed that the errors found by Audit during the review had been rectified and all other recommendations implemented and new procedural guidelines introduced.

**2. Audit Report: Youth Commissioning – Sheffield Futures (CYPF). Issued 30/01/12.**

**Overview:** Fifteen recommendations were made and agreed with regard to the arrangements in place between SCC and Sheffield Futures in relation to the youth provision contract. Of these recommendations 7 were given a high priority rating.

**Updated position as at 20 April 2012**

Internal Audit: A follow up audit is to be undertaken in quarter 3 of the 2012/13 plan.

Directors response: The Director Lifelong Learning, Skills and Communities reported: Of the 15 agreed recommendations in the original report, 12 have been implemented. One high priority recommendation relating to the signing of a service delivery contract for 2012/13 was to be actioned by the 30<sup>th</sup> April 2012 and one medium priority recommendation was in progress with a completion date of April 2012. Additionally one medium recommendation with regard to the staffing arrangements between Sheffield Futures and SCC was subject to ongoing discussions between the Executive Director Resources and the Director Lifelong Learning, Skills and Communities. It was anticipated that this was to be resolved by September 2012.

**3. Audit Report: Carbon Reduction Commitment (CRC) (Place). Issued 01/12/11.**

Overview: A review was undertaken of the Council's arrangements to deal with the Environment Agency's Carbon Reduction Commitment (CRC) requirements. The CRC initiative is a mandatory scheme designed to reduce carbon emissions. The Director of Property and Facilities Management had signed up to being the responsible officer for the scheme within the Council, with the Energy Team being responsible for the compilation of the data and details that make up the Annual Report for the Council.

**Updated position as at 20 April 2012.**

Internal Audit: A follow up review will be undertaken in September 2012 as part of the mandatory annual validation check of the CRC scheme. This has been communicated to management, therefore will be finalised by quarter 3.

Directors response: The Head of Capital Delivery Service, Place stated:

"Of the 11 recommendations, 4 have now been implemented by setting up CRC as a project in line with the Council's project management principles, reporting to Asset Management Group as project board; and by clarification of CRC guidance points with the Environment Agency. A further 2 recommendations have been implemented via the project management mechanisms together with a review of SCC's CRC processes which will be undertaken by Rotherham Council in June 2012. A further 2 recommendations; accountability framework for CRC and stakeholder engagement are in progress and will be completed by the end of May 2012. With regards to the remaining 3 actions, these relate to a business continuity plan and risk register. These are both under development as part of the Service-wide risk mitigation processes. The progress of this has been delayed as a result of the recent merger of two service areas but it is planned that this work will be completed by the end of May 2012".