

Audit and Standards Committee

Meeting held 19 January 2023

PRESENT: Councillors Colin Ross (Chair), Angela Argenzio, Simon Clement-Jones, Tom Hunt, Kevin Oxley and Alison Howard (Co-opted Independent Member)

1. APOLOGIES FOR ABSENCE

1.1 An apology for absence was received from Councillors Ben Curran and Garry Weatherall.

2. EXCLUSION OF THE PRESS AND PUBLIC

2.1 The Chair stated that the report at agenda item 10 of the agenda (Item 9 in these minutes) were not available to the public and press because they contained exempt information described in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) relating to the financial or business affairs of any particular person. Accordingly, the public and press would be excluded from the meeting during consideration of that item of business. This item would be considered last on the agenda.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meetings held on 17 November, 2022 were agreed as an accurate record.

5. PROGRESS IN HIGH OPINION REPORTS

5.1 The Committee considered a report of the Interim Director of Finance and Commercial Services.

5.2 The Senior Finance Manager of Internal Audit, Linda Hunter explained that the report provided an update on position on implementation of recommendations contained in audit reports issued with a no assurance opinion or limited assurance with high organisational impact assessment.

5.3 The Senior Finance Manager mentioned that the Audit & Standards Committee received this report every 6 months for an update. The report was last presented in June 2022 and since then, 4 new reports had been added to the tracker.

5.4 The report highlighted a total of 30 recommendations that Internal Audit was

tracking, in which 17 of them had been implemented (57%) and 13 recommendations were still ongoing.

- 5.5 The Senior Finance Manager confirmed there were no critical recommendations now as they had all been actioned although there were still 3 red rated actions that remained. It was added that one of those red rated actions (Direct Payments audit) had now been actioned. The Direct Payments audit recommendations have now been fully actioned and can be removed from the tracker.
- 5.6 This report was presented at the Performance and Delivery Board in November 2022 and the responses from that board can be found on page 18 of agenda.
- 5.7 A Member of the Committee asked a question and following response were provided: -
- 5.8 The Senior Finance Manager agreed to follow up whether the Freedom of Information / Subject Access Request report had been circulated to Members of the Committee in December 2022. It was agreed that the report would be re-circulated to the Committee.
- 5.9 **RESOLVED:** That **(1)** the committee notes the content of the report; and **(2)** that the Freedom of Information / Subject Access Request report be circulated to the Committee.

6. CODE OF CORPORATE GOVERNANCE

- 6.1 The Committee considered a report of the Interim Director of Legal and Governance.
- 6.2 The Interim Director of Legal and Governance, David Hollis informed the Committee that the Code of Corporate Governance was not a statutory requirement although under the CIPFA (Chartered Institute of Public Finance and Accountancy) framework, which was issues in 2016, recommended that all local authorities had one.
- 6.3 The Code of Corporate Governance was a document that drew together all the elements that this local authority has in place and evidence how the Council is meeting the principles that are outlined in the framework document issued by CIPFA.
- 6.4 It was mentioned that the Code of Corporate Governance was last approved in October 2020. Since then, the Council had transitioned to a Committee System therefore the code had been updated to reflect that. The code had also been updated to reflect the Council's values and the Future Sheffield Programme.
- 6.5 Members of the Committee asked questions and the following responses

were provided: -

- 6.6 The Interim Director of Legal and Governance confirmed that the behaviours and actions demonstrating good governance reflected the behaviours identified at each principle. The evidence column demonstrated how the Council were delivering these actions.
- 6.7 Following a question from Independent Person, Karen Widdowson. The Interim Director of Legal and Governance confirmed the Council's Constitution was under constant review and would undergo changes where necessary. It was added that the Constitution had just undertaken a thorough review, following the Council's transition to a Committee System.
- 6.8 Following a suggestion from Independent Person, Karen Widdowson. The Committee agreed that 'low levels of member complaints' be included into the evidence column in principle A of the Code of Corporate Governance.
- 6.9 Following a question from Independent Co-opted Member, Alison Howard. The Senior Finance Manager, Internal Audit agreed to check whether external audit did a review of the Council's Code of Corporate Governance.

It was suggested that a review of the Council's Code of Corporate Governance could form part of the peer review that takes place between different local authorities.

- 6.10 The Interim Director of Legal and Governance confirmed that a further review of the Code of Corporate Governance will be carried out again, once the 6-month review of new governance arrangements had finished. He added that an annual review of the code will be scheduled.
- 6.11 Following a suggestion from a Member of the Committee. The Committee agreed to include reference to the relationship between the Council and the South Yorkshire Mayoral Combines Authority at principle C of the Code of Corporate Governance.
- 6.12 The Interim Director of Legal and Governance explained that as this code was not part of the constitution, it did not go to Full Council for approval. The code was presented to the Audit & Standards Committee for approval/changes along with it being within their remit to have oversight on the production of this code.
- 6.13 **RESOLVED:** That **(1)** the Committee approves the code of corporate governance, subject to the additions mentioned at 6.8 and 6.11 of these minutes; and **(2)** the Senior Finance Manager to check whether external audit did a review of the code of corporate governance.

7. INFORMATION MANAGEMENT ANNUAL REPORT

- 7.1 The Committee considered a report of the Interim Director of Legal and

Governance.

- 7.2 The Senior Information Management Officer and Data Protection Officer, Sarah Green, explained that the report had been presented to give an overview of the information governance arrangements and performance at the Council for the last financial year. It was added that the pandemic had caused huge disruption to Council services during that time.
- 7.3 In 2021/22, the Council handled 446 Subject Access Requests (SAR) and answered 228 in time. The overall SAR performance figure for 2021/22 was 51.1%.
- 7.4 The Information Commissioner's Office (ICO) had contacted the Council on 15 separate occasions arising from complaints by data subjects concerning SARs in 2021/22. The majority of the cases concerned situations where individuals complained to the ICO that they were not provided with the information to which they were entitled, within the statutory timeframe.
- 7.5 In 2021/22 the Council received 1691 Freedom of Information (FOI) and Environmental Information (EIR) requests and answered 75.9% in time. The compliance rate had improved from the previous year and this was an ongoing trend.
- 7.6 The ICO had contacted the Council on 17 separate concerning FOI and EIR requests in 2021/22. Of these cases, 13 were in relation to late information requests.
- 7.7 In 2021/22, 324 incidents were logged through the Council's information security incident process. 108 of these incidents were classed as personal data breaches. Most of these breaches involved customer personal data, and were caused by human error with emails or post being delivered to the wrong person. Of these breaches, 6 were considered to meet the risk threshold and were reported to the ICO.
- 7.8 The Senior Information Management Officer and Data Protection Officer, informed the Committee that the Council's GDPR and Information security training was compulsory for all Council employees, and that this training was completed on an annual basis. In 2021/22 91.3% of Council employees completed their training.
- 7.9 Members of the Committee asked questions and the following responses were provided: -
- 7.10 The Senior Information Management Officer and Data Protection Officer believed the Council had a robust process for dealing with lost or stolen hardware. She explained that if a piece of hardware was either lost or stolen, then initially it would be reported internally through a ticketing system. It would then go to the Council's information management system and IT where they could immediately shut down that piece of equipment. Information Management Officers would also ask for confirmation that stolen

hardware had been reported to the Police and ask for the incident number.

- 7.11 The Senior Information Management Officer and Data Protection Officer, explained that the Council reported to the ICO based on a risk assessment. If a breach was considered of high impact, then the ICO would be contacted. If the ICO contacted the Council about an incident, the organisation would investigate that incident and provide a full report to the ICO.
- 7.12 The Senior Information Management Officer and Data Protection Officer recognised that whilst the Council published certain information on its website and open data sites, there was work taking place to publish even more and stated that the Council was committed to open data, to support its transparency agenda. It was added that the Council would look to publish more data, following the pandemic, for the Council's customers to view.
- 7.13 The Senior Information Management Officer and Data Protection Officer informed the Committee that this year's compliance rates were good and heading the right direction. Processes were in place to get compliance back up the excellent compliance expected of the Council.
- 7.14 The Senior Information Management Officer and Data Protection Officer explained that it was the responsibility of every Officer to respond to requests for information from FOI's and SAR's.
- 7.15 The Senior Information Management Officer and Data Protection Officer mentioned that the Council was in a similar position to many authorities and that the pandemic and working from home had been challenging and had affected many authorities.
- 7.16 **RESOLVED:** That the Committee notes the information governance annual update.

8. WORK PROGRAMME

- 8.1 The Committee considered a report of the Director of Legal and Governance that outlined the work programme for the remainder of the municipal year. Members were asked to identify any further items for inclusion.
- 8.2 The Chair of the Committee (Councillor Colin Ross) asked that the report 'Update on the New Housing Management System' be widened to reflect that the delay in the system, impacted the whole delivery of the housing repairs service. He also asked that Officers from the housing service be present at the meeting to respond to member's questions.

A Member of the Committee referred to previous comments made by the Committee around the poor standard of the repairs service and how this could lead to a significant reputational risk for the Council. It was suggested that the Audit and Standards Committee received a report of the Housing Service that explained why the repairs service was performing at such a

poor standard.

Another Member of the Committee agreed that the repairs service was performing at a poor standard but mentioned that performance of that service was to be monitored by the Housing Policy Committee. The Update on the New Housing Management System was added to the work programme of this Committee to check whether the implementation of the system was on track.

- 8.3 A Member of the Committee asked why the 'Statement of Accounts (Audited)' report were not ready in time for the January meeting.

The Senior Finance Manager, Internal Audit explained that she had contacted external audit to ask for the reasoning for this and that the Committee would be updated when known.

The Interim Director of Finance and Commercial Services, Tony Kirkham explained that the delay with this report was not uncommon and the Council found itself in a similar position to many authorities due to national pressures around the valuations of infrastructure assets etc. Only a small number of local authorities had managed to sign off their accounts on time.

- 8.4 **RESOLVED:** That the work programme be noted.

9. STRATEGIC RISK REPORTING

- 9.1 The Finance Manager, Helen Molteno, referred to the report which summarised current Council risks and what actions the Council were taking to mitigate them.

- 9.2 Members of the Committee asked questions on the report and responses were provided by the Council's Finance Manager.

- 9.3 **RESOLVED:** That the Audit and Standards Committee **(1)** noted the current assessment of the Council's risk management arrangements and endorsed the measures being taken to strengthen those arrangements; and **(2)** noted the current and emerging risks and endorses the actions being taken to mitigate those risks.

10. DATES OF FUTURE MEETINGS

- 10.1 It was noted that the next meeting of the Committee would be held on 16 February, 2023.