

To the Chair and Members of the AUDIT COMMITTEE

2013/14 ANNUAL GOVERNANCE STATEMENT

EXECUTIVE SUMMARY

1. The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging these responsibilities, the Council must ensure that there is good governance and a sound system of internal controls in place, which facilitate the effective exercise of the Council's functions.
2. An annual review of governance arrangements and the subsequent preparation and publication of an Annual Governance Statement (AGS) are statutory requirements by virtue of the Accounts and Audit Regulations (England) 2011. The AGS must demonstrably be a corporate document, corporately owned. The Council's governance arrangements in place during 2013/14 have been reviewed and an AGS has been drafted and is attached to this report. There has been 5 significant weakness reported in 2013/14. (Appendix 1). The appendices in this report contains key information for those charged with governance responsibilities
3. The Accounts and Audit Regulations require proper practice to be followed in the production and approval of the Statement. 'Proper practice' requires the Council Leader (in Doncaster's case, the Mayor) and the Chief Executive to sign the statement to confirm their satisfaction with the governance framework and the procedures for reviewing it, and their acceptance of the significant issues highlighted in the statement, along with actions for tackling the issues raised. This should be done prior to the publication of the Statement of Accounts in September 2014.

EXEMPT REPORT

4. Not Applicable

RECOMMENDATIONS

5. The Audit Committee members are asked to:
 - Note and comment on the report.
 - Note the Annual Governance Statement has been approved by the Directors and the Executive Board. The Mayor and the Chief Executive will be asked to sign the Statement prior to its publication along with the Statement of Accounts in September 2014.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. By ensuring that there is good governance and a sound system of internal controls in place the Council will be able to provide the citizens of Doncaster with services that are provided in accordance with the law and proper standards. It will also ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively

BACKGROUND

7. The Annual Governance Statement is laid out in accordance with proper practice as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA). There are 6 sections:
 - Section 1: Introduction
 - Section 2: Scope of the Council's responsibility
 - Section 3: Purpose of the Governance Framework
 - Section 4: The Council's Governance Framework, which identifies the governance arrangements in place at the Council
 - Section 5: Review of effectiveness. This looks at the processes that have been applied in maintaining and reviewing the effectiveness of the governance framework
 - Section 6: Significant governance issues. These are the main issues that require improving.
8. Sections 1, 2 and 3 are standard, based on CIPFA's 'model' AGS template. Sections 4 and 5 highlight the governance arrangements in place at Doncaster (Section 4) and how they have operated during the year (Section 5). Section 6 highlights the significant issues arising this year and provides an update on the significant items reported in 2012/13.
9. Appendices 1 – 3 of the Statement show:
 - Appendix 1 (pages 5-8): Areas requiring improvement identified following the 2013/14 review of the effectiveness of the Council's governance arrangements, and the actions being taken by the Council to secure the improvements.
 - Appendix 2 (page 9 - 13): Areas requiring improvement identified in 2012/13 that were still significant during some part of 2013/14, and the action being taken.
 - Appendix 3 (pages 14): Areas requiring improvement identified in 2012/13 that have been effectively managed to the extent that they were no longer significant in 2013/14. In the interests of consistency and continuity, they are referred to in this appendix to assist in demonstrating that they have been duly considered in the 2013/14 review for the purposes of this statement.

OPTIONS CONSIDERED

10. Not Applicable

REASONS FOR RECOMMENDED OPTION

11. Not Applicable

IMPACT ON THE COUNCIL’S KEY PRIORITIES

12.

Priority	Implications
<p>We will support a strong economy where businesses can locate, grow and employ local people.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster’s vital services</i> 	
<p>We will help people to live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
<p>We will make Doncaster a better place to live, with cleaner, more sustainable communities.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
<p>We will support all families to thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster’s vital services</i> 	
<p>We will deliver modern value for money services.</p>	
<p>We will provide strong leadership and governance, working in partnership.</p>	<p>The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place.</p>

RISKS AND ASSUMPTIONS

13. The production of an Annual Governance Statement is a statutory requirement. The key risk is that failure to produce a statement to meet this requirement would result in an adverse audit report by the Council's external auditor and damage the Council's reputation. The original risk profile is 16 but by producing the Annual Governance Statement and addressing key corporate issues the risk profile is reduced to 8.

LEGAL IMPLICATIONS

14. The production and publication of an Annual Governance Statement is a statutory requirement.

FINANCIAL IMPLICATIONS

15. There are no direct financial implications resulting from this report

HUMAN RESOURCES IMPLICATIONS

16. There are no direct human resources implications resulting from this report

EQUALITY IMPLICATIONS

17. The council has a legal obligation under the Public Sector Equality Duty to consider how different people will be affected by their activity and service. Equalities and Due Regard issues will be considered as part of the individual policies and procedures that are contained within the Annual Governance Statement and as a result a Due Regard statement has not be completed for this process.

CONSULTATION

18. This report has significant implications in terms of the following:

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	

BACKGROUND PAPERS

19. CIPFA guidance –annual governance statement preparation
Director returns on internal controls and previous year actions
Corporate Governance Inspection

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Simon Wiles

Director of Finance and Corporate Services

**Annual Governance Statement
Doncaster Council 2013/14**

1. Introduction

- 1.1 In accordance with best practice guidance for local authorities on the preparation and drafting of an annual governance statement, the following statement relates to the period from 1st April 2013 to the date of the certification of the Council's accounts. The responsibilities set out in this statement, the nature of controls in place and the areas identified for improvement apply to the whole or part of the above period. Reference is also made to matters raised in the Council's 2012/13 Annual Governance Statement. Where issues arising from previous years have been resolved, these have been identified in this statement.

2. Scope of Responsibility

- 2.1 Doncaster Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 2.2 This document, the Council's Annual Governance Statement (abbreviated to 'AGS'), explains how Doncaster Council has complied with national good practice guidance and meets the requirements of regulation 4(2) & (3) of the Accounts and Audit Regulations (England) 2011, in relation to the publication of an annual governance statement. To this end, the Council has in place a framework of governance to do so.

3. The Purpose of the Governance Framework

- 3.1 The governance framework comprises the systems and processes, culture and values, by which the Council is directed and controlled, and its activities through which it accounts to, engages with and leads the community.
- 3.2 These arrangements include systems and processes to enable the Council to monitor the achievement of its objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.3 The system of internal control is a significant part of that governance framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically. The Council cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness.
- 3.4 The governance framework has been in place within the Council for the financial year ended 31st March 2013 and beyond that up to the date of approval of the 2012/13 Statement of Accounts and this Annual Governance Statement, with the exception of controls relating to issues identified in Section 6 and Appendices 1 - 3 of the statement. The Council is taking action to deal with these items.

4. The Governance Framework

4.1 The key elements of the systems and processes that comprise the Council's governance arrangements include;

- Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the Council's vision and its implications for the Council's governance arrangements;
- Measuring the quality of services for users, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication. This includes the establishment and agreement by the Council of its lawful constitution which sets out how the Council operates, how decisions are made and the procedures to be followed to ensure that it is open, accountable and transparent to local people. It also includes its scheme of delegation and the facilitating of policy and decision-making within the elected mayoral regime;
- Developing, communicating and embedding codes of conduct; defining the standards of behaviour expected for members and staff;
- Reviewing and updating standing orders, financial procedure rules and contract procedure rules and supporting procedure notes and manuals, which contribute to defining how decisions are taken, transactions undertaken and the ways in which some risks are managed. In addition, the Council continues to embed and develop its system of risk management, with an updated risk management policy, risk management strategy and updated risk registers. The Council considers significant risk in all its formal decision-making and in its management of major projects. The risk management process extends into its service planning process;
- Undertaking the best practice functions of an effective audit committee, as identified in professional national guidance, that is in the CIPFA document 'Audit Committees – Practical Guidance for Local Authorities';
- The work of its statutory and regulatory officers, ensuring that there is compliance with policies, procedures, laws, regulations, internal policies and procedures, and that expenditure is lawful;
- Whistle-blowing arrangements for staff and contractors and arrangements for receiving and investigating complaints from the public;
- The identification of development needs of members and senior officers in relation to their strategic and other roles and supporting them by encouraging and providing appropriate training;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;
- Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the Council's overall governance arrangements.

5. Review of Effectiveness

- 5.1 The Council has a statutory responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including its systems of internal control.
- 5.2 The review of the effectiveness of the governance framework is informed by the work of respective directors within the Council who have responsibility for the development and maintenance of governance arrangements including the internal control environment. The review of the effectiveness of the system of internal control is also informed by other reviews including the work of the Council's Internal Auditors, the Audit Commission and other inspectorates.
- 5.3 The process that has been applied this year in maintaining and reviewing the effectiveness of the system of governance framework, including the system of internal control includes the following:
- The Chief Executive, Chief Financial Officer and Monitoring Officer monitor and review the operation of the Constitution to ensure that it supports and facilitates the Council's achievement of its policies, aims and objectives. Full Council reviews the Constitution as necessary. Minor amendments do take place each year to reflect reviews by the above officers and to improve the governance framework.
 - The Council has in place an Overview and Scrutiny function to consider the effective achievement of Council policy, to monitor major decisions and to call in decisions which have been made by the Executive and officers but have not yet been implemented. Their efforts are supplemented by the work of the various Scrutiny Panels.
 - The Council's Directors' and Assistant Directors' evaluations of control and governance issues in their respective areas of responsibility. These evaluations consider the details as laid down in the Local Code of Governance and consider the gaps between these requirements and actual practices. The resulting governance issues have been further reviewed by Statutory Officers and the Corporate Leadership Team and finally included in this statement.
 - Internal and external audit arrangements and findings following the review of the Council's governance and internal control environment.
 - The conducting of a review at least annually of internal audit in accordance with latest statute, which is formally presented to the Audit Committee.
 - Other External inspections and reviews.
 - The consideration of the draft Annual Governance Statement by the Council's Audit Committee, which has received reports on governance and internal control matters over the past year.
 - The work of the Standards Committee over the past year, which has considered reports on the ethical and standards matters.

6. Significant Governance Issues

- 6.1 As a consequence of this review of the effectiveness of the Council's governance arrangements and system of internal control, a number of items have been identified which require improvement or enhancement. Corresponding actions have been identified to deal with these

items. In reviewing the effectiveness of the Council's governance and internal control arrangements for 2013/14, the Council has reviewed the ongoing impact of items raised in the 2012/13 Annual Governance Statement.

6.2 Appendices to this Statement show:

Appendix 1: Areas requiring improvement identified following the 2013/14 review of the effectiveness of the Council's governance arrangements, and the actions being taken by the Council to secure the improvements

Appendix 2: Areas requiring improvement identified in 2012/13 that were still significant during some part of 2013/14 and the action being taken.

Appendix 3: Areas requiring improvement identified in 2012/13 that have been effectively managed to the extent that they were no longer significant in 2013/14. In the interests of consistency and continuity, they are referred to in this appendix to assist in demonstrating that they have been duly considered in the 2013/14 review for the purposes of this statement.

Statement of Commitment

We have been advised of the implications of the result of the 2013/14 review of the effectiveness of the governance and internal control framework by the Audit Committee and of the plans to address identified weaknesses and ensure continuous improvement of the system in place.

We propose over the coming year to take steps to address the above matters to enhance further the Council's governance and internal control arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and that we will monitor their implementation and operation over the next year and as part of our next annual review of effectiveness.

Signed on behalf of Doncaster Council:

Mayor

Chief Executive

Annual Governance Statement

2013/14 Improvements identified following a review of the effectiveness of the Council's governance arrangements

Improvement Issue	Improvement Action	Responsible manager	Action Date
<p>1. Business Continuity Plan Business continuity arrangements need to be reviewed across the authority. Office moves and restructures along with the changes for the Children's Trust mean that business continuity arrangements for services need to be reviewed and updated.</p>	<p>The Council recognises that effective business continuity management (BCM) is essential to ensure that pre-identified priority activities continue to function during disruptive challenges. The Council also recognises that effective BCM is vital to achieving our strategic goals and effective corporate resilience. The approach taken to BCM is guided by the good practice recommendations of the International Standard (ISO 22301:2012) "Business Continuity Management".</p> <p>Good business continuity management is about stopping problems occurring, keeping things going when disruptive challenges to services arise and recovering effectively afterwards. Services that Doncaster Council provides must be resilient enough to:-</p> <ul style="list-style-type: none"> • Respond to the incident in order to protect staff, its environment and the services it provides. • Minimise disruption to priority activities. • Recover from the incident and return to normality as quickly as possible. <p>Due to recent office moves, corporate reviews and restructures, a new Business Continuity policy, strategy and key actions have been developed which outline how the responsibilities of the Council will be discharged to take account of these recent changes.</p> <p>A BCM Steering Group (made up of senior officers) was set up in April 2014, chaired by the Director of Regeneration and Environment. This group is responsible for the development and delivery of the new BCM arrangements across the Council. The draft strategy and action plan of work.</p>	<p>Director of Regeneration and Environment</p>	<p>December 2015</p>

Improvement Issue	Improvement Action	Responsible manager	Action Date
	<p>“In order to achieve good corporate business continuity arrangements all business continuity plans will need to be completely reviewed and completely re-written. This will ensure that Doncaster Council is a resilient organisation for our residents, customers and partners and is an organisation which aligns to the industry business continuity standards of ISO22301:2012. The Resilience and Emergency Planning team will work with Heads of Service across the Directorates to achieve this major re-write and effective implementation.</p> <p>This work aims to be progressed over the next 18 months and completed and embedded by December 2015.</p> <p>After this date the focus will be on further developing BC arrangements and ensuring that our resilience arrangements continue to reflect new initiatives for service delivery pace and the pace of organisational change.</p>		
<p>2. Respite Care Overpayments Weaknesses have been identified in the processing of respite care payments to respite carers and the subsequent performance monitoring arrangements. A full review is taking place to identify and correct these weaknesses.</p>	<p>Some processes have either already been changed or are in the process of being reviewed to prevent any future confusion around payments and care to eliminate the risk of future overpayments. In addition, the proposed Establishment Placement Team will take responsibility for the financial aspect of all placements adding a further control to reduce the chances of this re-occurring.</p> <p>If they transfer to the trust: To mitigate the risk of this occurring the Aiming High will begin to place their placement information on Liquid Logic as DMBC now hold a licence to hold NON LAC data within it. Once the data is entered into LL payments can be made via the ContrOOC system which will not allow two payments to be made during the same period without a specific authorisation on the system. This can be reviewed and audited at any time so in the unlikely event of incidents occurring they are quickly picked up and rectified and further safeguards can be put in place.</p> <p>If they do not transfer to the trust: As a minimum the contracts and placements team will under their</p>	<p>Director of Children & Young People Service</p>	<p>September 2014</p>

Improvement Issue	Improvement Action	Responsible manager	Action Date	
	revised remit provide Aiming High with a weekly list of C and YP placed in in house and IFA care. Aiming High to use this information via systematic process to establish which YP's carers should receive / SB payments and which should not and provide a weekly list to C and YP placements of YP in receipt of SB so that a further check can be actioned.			
3.	<p>Direct Payments Weaknesses have been Identified in recovery of Direct Payment and personalised budgets and in the investigation of fraud and error in this area</p>	<p>The agreed action plan has been discussed at a recent Personal Budget Board meeting. This board is currently refreshing its work plan and redefining the scope of the programme, the audit action plan will be incorporated into the re-scoped programme and the board will oversee its implementation, interfacing closely with the re-scripted social work pathway and associated IT system implementation (CareFirst). Currently it is anticipated that roll out of rescript will commence in October 2014 but this may be delayed by IT system implementation interdependency, the completion date is 31st March 2015.</p>	<p>Director of Adults and Communities Service</p>	<p>March 2015</p>
4.	<p>Management of Temporary Accommodation Issues were identified with management of temporary accommodation in that there was an inadequate system in place to monitor payments, performance.</p>	<p>Issues were identified with management of temporary accommodation in that there was an inadequate system in place to monitor payments, performance. By working with audit an action plan was developed to address the issues, this is currently being implemented. Issues also identified were rent collection in respect to Gypsy Travellers. By working with audit an action plan was developed to address the issues, this is currently being implemented. Contact was also made with local authorities to share benchmarking information to compare collection rates, write offs and consider considerable improvements for the service. In 2013/14 historical debt of £165,932.52 was written off under financial procedure rule D9. This decision was taken by completing an ODR signed off by Simon Wiles. NB: this service has now transferred to St Leger Homes of Doncaster with effect from 1st April 2014, we are working closely with St Leger Homes to ensure that the above actions are</p>	<p>Director of Regeneration and Environment</p>	<p>Transferred to St Leger April 2014</p>

Improvement Issue		Improvement Action	Responsible manager	Action Date
		implemented and improvements are made across the two service areas.		
5.	<p>Risk Assessments</p> <p>A recent incident has highlighted a weakness relating to risk assessments on vacant buildings/land and some Health and Safety practices within the service. This is now being addressed by managers attending Health and Safety training and implementing appropriate associated actions to identify and mitigate risks. Measures have now also been put in place to ensure the land transfers between council and contractors is clear and explicit and timely</p>	<p>During 2013/14 some Health & Safety incidents occurred which when investigated highlighted concerns in relation to the management of some council assets/sites. To mitigate risks associated with the management of Councils assets/sites a number of actions have either been completed or are in the process of being completed. These include H&S training for all people managers, building managers, training for project managers with responsibility for vacant properties and construction sites. Also appropriate risk assessments for construction sites, vacant buildings and vacant land is being addressed.</p> <p>The Health & Safety Intranet pages have also been amended to aid the ease of use and accessibility of information.</p> <p>All staff have already had or are booked onto relevant Health and Safety Courses. Due to the demand of these courses some of these will take place in September and October as there are no available courses before this date. All training will have been completed by October 2014.</p>	Director of Regeneration and Environment	October 2014

Appendix 2

Previous year's items that have impacted on governance in 2013/14

Improvement Issue		Improvement Action	Responsible manager	Action Date
1.	Doncaster Children's Services Trust	As part of the move to Children's Trust arrangement there is a significant programme of due diligence work being undertaken by Deloitte who have been contracted directly by the DfE. This work is addressing future governance arrangements and transitional arrangements prior to the Children's Trust coming into being later	Director of Children & Young People Service	October 2014

Improvement Issue		Improvement Action	Responsible manager	Action Date
		in the year.		
2.	<p>ICO Inspection & Recommendations</p> <p>The ICO carried out a consensual audit in early December 2012 with the outcome of 'Limited Assurance' with the Councils arrangements for Data Protection compliance.</p>	<p>Out of the 34 ICO audit recommendations, 27 are now complete. The action plan is still a mandatory agenda item at each SIRO board and work continues to continuously improve the Councils compliance and performance in this area. We also have an improved rating of 'reasonable Assurance' indicating the ICO are much happier with the way the Council handles data protection issues.</p>	Director of Finance and Corporate Services	On-going
3.	<p>Improving CYPS Services</p> <p>Performance reporting and outstanding arrangements and implementation of actions as a result of recommendations emerging from internal and external audit/inspections recommendations.</p>	<p>Saving plan now developed to underpin improvement activity. Detailed reporting with appropriate action from senior management continues.</p> <p>The Children and Young People's Service operates with a multi-agency inspection preparation Programme Board that acts as a focus to embed good practice as a key part of service improvement cycle. The Board is chaired by the Assistant Director, Children and Families and provides a co-ordinated and systematic approach to preparation for inspection, identifies key areas for performance and quality improvements in service delivery, in order to achieve a good or better outcome from inspection and ensures that inspection action plans are in place and performance is monitored against the required action. Inspection Action Plans are monitored via Covalent.</p>	Director of Children & Young People Service	March 2015
4.	<p>Professional Practice</p> <p>We continue to experience concerns around the consistency in quality of professional practice highlighted in services own audits and confirmed by the 2012 Ofsted inspection of local authority arrangements for the protection of children.</p>	<p>The development of a new Performance Management Framework is on course for delivery and issues raised are monitored more rigorously</p>	Director of Children and Young People's Service	March 2015
5.	<p>Safeguarding Personal Assets</p> <p>During the financial year there have been some weaknesses in the control systems surrounding the handling of Personal Assets for Vulnerable services users in care. These surrounded the storage, identification and tracking of some personal assets</p>	<p>Following the investigation undertaken by Internal Audit an action plan was developed and implemented. Work in relation to this has been undertaken and two thirds of the actions have now been completed. However this also included the implementation of the newly procured recording system (Casper) and there is still significant work to be undertaken in this area. This is now being</p>	Directors of Adults and Communities Service	December 2014

Improvement Issue		Improvement Action	Responsible manager	Action Date
	held and a lack of full reconciliation processes surrounding the handing of vulnerable service users daily cash needs.	addressed and work on the data migration to Casper commenced on 1 st June 2014 and will be fully implemented and operational by 31 st December 2014		
6.	<p>Procurement and Contracts Management</p> <p>During the 2012-13 year internal audit carried out various council-wide reviews into procurement and contract management arrangements, including relating to voluntary sector services, mobile phones, transport and schools advice and support. The Section found significant weaknesses existed in each case, indicating flaws within the Council for ensuring proper and effective procedures are applied</p>	<p>Contracts are now regularly reviewed at all DLT's and phase 1 of the Procurement Transformation plan is complete. Phase 2 of the plan will ensure that procurement processes are reviewed and developed to ensure we have in place a robust suite of effective procurement and contract management processes and procedures.</p> <p>The application of these processes will ensure compliance with the European Directives on procurement, reduce the risk of legal challenge and ensure the delivery of quality, value for money goods, works and services.</p>	Director of Finance and Corporate Services	March 2015
7.	<p>Financial Reporting</p> <p>In their Annual Governance Report, the Council's external auditors highlighted problems experienced in their audit of the annual accounts. The main weaknesses included a lack of an overall processes for the management of the production of the accounts, delays in producing IFRS compliant information on fixed assets, a delay in providing working papers supporting the accounts and insufficient quality assurance arrangements resulting in a significant number of avoidable errors.</p>	<p>This is the second year where the Interim Head of Corporate Accounts will oversee Final Accounts process. KPMG noted the improvement in 2013/14 and further improvements are planned for 2014/15. These include a review of the Statement of Accounts and removing duplicated and unnecessary information; simplifying some of the working papers and allowing more time at the end of the process for Quality Assurance checks. Regular weekly review meetings are held with finance staff to identify any issues at an early stage and additional meetings are held with KPMG to keep them informed of the progress and issues. A financial system (E5) was implemented on 30th September 2013. This includes Procure to Pay (P2P), general ledger, accounts payable and reporting system. Year end is being completed on this new system and new reports have been generated.</p> <p>A Full review of final accounts process using E5 will be undertaken after Audit has been completed in September 2014.</p>	Director of Finance and Corporate Services	October 2014
8.	<p>Data Quality Arrangements</p> <p>Work undertaken by Internal Audit and the Corporate Performance Team has highlighted opportunities to improve the reliability of information to support performance management.</p>	<p>The Corporate Policy and Performance Team have produced a new Data Quality Strategy and Self-Assessment Framework, which was approved by cabinet on 6th November 2013. The Data Quality Strategy focuses on the importance of data quality, what needs to be in place and staff responsibilities for achieving good data</p>	Director of Finance and Corporate Services	March 2015

Improvement Issue		Improvement Action	Responsible manager	Action Date
		quality. Also a new data quality self-assessment process is being put in place, which is designed to facilitate making an assessment of the quality of the data that is currently held and used to produce Performance Measures. Monitoring and reviewing Data Quality arrangements forms a key part of ensuring improvements in the quality of data used by the Council, data quality will be one of the criteria assessed in determining the status of objectives in the Corporate Plan and the outcome of data quality self-assessments should be discussed as part of Directorate Challenge Meetings. A 2014/15 Action Plan has commenced.		
9.	<p>Corporate Procurement</p> <p>Internal Audit highlighted various instances of non-compliance with the Council's Contract Procedure Rules, including examples where managers have purchased goods and services from suppliers other than the approved or nominated contract holders. This increases costs and frustrates strategic procurement objectives.</p>	<p>The introduction of Procure to Pay in October 2013 has changed the way the Council Purchases goods and services. All non-catalogue requisitions which are raised through the P2P portal are monitored by the corporate P2P Team to ensure that Corporate Procedure Rules (CPR's) have been followed and off contract spend reduced. Category managers continue to lead, support and advise directorates in the delivery of procurement in compliance with the Councils constitution and EU legislation. Category managers support change across the Council by streamlining the purchasing transaction process, with increased self-sufficiency for budget managers to utilisation of ERP. Category managers support the growth of e-catalogue to make purchasing visible, easier, efficient and complement with the public procurement processes. Contract Procedure Rules have been revised to increase opportunities for local business; Category managers will business Doncaster will develop an action plan to support local businesses to do better business with the Council and its key suppliers. Work to simplify the procurement process with use of standard tender documentation and standard term and conditions that are fair and transparent are being developed. Our spend analysis will support purchasing decisions and consolidation of contracts to achieve efficiency. Waivers and breaches of CPR's continue to be monitored, challenged and reported.</p>	Director of Finance and Corporate Services	March 2015
10.	<p>Income Management</p>	The new Accounts Receivable module has now been implemented	Director of Finance	October 2014

Improvement Issue	Improvement Action	Responsible manager	Action Date
<p>A review completed by Internal Audit identified that there was unsatisfactory compliance with the Council's procedures and associated best practice for monitoring and collecting debt.</p>	<p>and embedded for the raising of invoices. There was a significant delay in the implementation of the Dunning (recovery) process that meant for part of the financial year active recovery of outstanding / unpaid sundry debts was not taking place. Steps have been taken to re-introduce the process and this was fully implemented 30th April 2014. An Income Management mini project has been established and work commenced on reviewing practices within Directorates for managing income. Internal Audit have been involved to resolve the previous position and they commenced a data analysis exercise in May 2014 to further support the implementation of the Income management mini project. Income management is also part of the on-going efficiencies that the council wishes to make.</p>	<p>and Corporate Services</p>	
<p>11. Asset Register The council is reviewing its arrangements for maintaining its asset register so as to enhance such arrangements and better facilitate its accounting for assets.</p>	<p>The Asset Register is held on a spreadsheet which produces the necessary information to complete the Accounts although it can be cumbersome and, as any spreadsheet, is prone to error. Work has started on implementing the Fixed Asset module of the ERP system although this work has now been delayed until 2014/15. We have had some initial training workshops and developed an implementation plan and an issues log which we will develop when work re-commences. This is due for implementation as part of phase 2 of ERP, but will not be ready for 2014/15 accountants. This will be implemented in summer 2015.</p>	<p>Director of Finance and Corporate Services</p>	<p>September 2015</p>
<p>12. Children's Services – Foster Care Services During 2009/10 overpayments in excess of £225k were identified as being made to foster carers, with some overpayments dating back to the 2007/08 financial year.</p> <p>In February and March 2013 management identified a number of new overpayments amounting to £50k arising primarily through Social Workers failing to update the new case</p>	<p>No substantial overpayments have been made to foster carers following the overpayments reported above, made in February and March 2013. This evidenced inadequacies in the current Liquid-logic database. The fostering service responded by setting up enhanced and detailed monitoring systems. This is a labour intensive process and will be managed by the placement service on completion of the placement service re-structure. Although intensive monitoring has been effective in preventing overpayments, a potential risk remains as foster carer payments and Special Guardianship Order (SGO) payments are currently</p>	<p>Director of Children and Young People's Service</p>	<p>October 2014</p>

Improvement Issue		Improvement Action	Responsible manager	Action Date
	management system Liquid Logic. Checks designed to prevent duplicated payments or payments for Children reaching the age of 18 failed to operate.	made from two systems. The planned integration of payments through Controc will assist in monitoring potential overpayments following a child being made subject of an SGO. Should a small overpayment be made after a child has left their placement or be made subject of an SGO, the foster carer is informed and payment is immediately deducted from the following week's payment. The majority of the value of the 2009/10 overpayments remain outstanding whilst most of the 2013 debt has been recovered.		

Appendix 3

Previous years' issues no longer significant during 2013/14.

Ref.	Improvement Issue	Action
1.	<p>Managing Attendance</p> <p>The Council had achieved only limited success in reducing the staff sickness/absence rates for the 2012/13 year with a projected number of days lost estimated at 13.98 against 14.56 days lost in 2011/12. The target for 2012/13 was 10.92. The Council entered into a shared service arrangement with Rotherham Council for the provision of HR Transactional Services in April 2012, delivered through a self-service model. The HR self-service portal is where managers administer their staff sickness absences.</p>	<p>Sickness absence figures continue to improve across the Council. The absence module on the HR Portal has been fully implemented since 1st May 2013; and monitoring indicates that the self-service aspect is being properly utilized by managers. Additional controls are also in place to complement and strengthen those already within the Self Service System. These include monitoring of departmental input to the HR System and the implementation and monitoring of Departmental Improvement Action Plans. Both corporate and directorate targets are now set annually and sickness reduced to 9.8 days in 2013/14.</p>
2.	<p>Payroll Processing</p>	<p>Work is continuing to ensure all control processes are up to date, for which plans are in place. Issues were noted with reconciliation services, overpayment recovery and some suspense account clearing.</p>
3.	<p>Employee Overpayments</p> <p>In previous years, weaknesses relating to payroll processes have resulted in significant payroll overpayments. Improvements have been noted and reported over previous years' problems. However, despite these and the strenuous efforts being made by payroll staff, problems identified throughout the process</p>	<p>Further improvements have been noted in 2013/14. Work is continuing to complete the balancing of all outstanding payments and to ensure the future recovery process runs efficiently. A full report will be presented to Audit Committee in July 2014.</p>

Ref.	Improvement Issue	Action
	have resulted in further significant overpayments during 2010/11. The problems include from late notification by managers, payroll processing errors and incomplete balancing of payments	