

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

20TH NOVEMBER, 2014

A MEETING of the AUDIT COMMITTEE was held at the CIVIC OFFICE,  
DONCASTER on THURSDAY, 20TH NOVEMBER, 2014.

PRESENT:

Chair – Councillor Austen White

Councillors Andrew Bosmans and Frank Jackson.

Kathryn Smart – Co-Opted Member

Also in attendance:

Peter Jackson, Internal Audit Manager

John Prentice, Director, KPMG

Simon Wiles, Director of Finance and Corporate Services

	<u>ACTION</u>
26. <u>DECLARATIONS OF INTEREST, IF ANY</u>  No declarations were made at the meeting.	None
27. <u>MINUTES OF THE MEETING HELD ON 23RD SEPTEMBER, 2014</u>  <u>RESOLVED</u> that the minutes of the meeting held on 23rd September, 2014, be approved as a correct record.	All to note
28. <u>FINANCIAL AND PURCHASING CONTRACT PROCEDURE RULES</u>  The Head of Procurement provided an update to Members with regard to the details of Waivers and Breaches to Contract Procedure Rules for the period from 1st July to 30th September, 2014. It was reported that there had been 8 waivers and 4 breaches with the details of these provided in detail within the body of the report and the accompanying appendix.  Members were invited to raise any points or queries with the Officers present and a brief discussion followed. There were several issues on which Members required clarity, and Officers endeavoured to answer all questions raised.	

A query was raised with regard to breaches and if they were legally challengeable should anyone object to the decision made. The Committee were informed that should the Council be challenged on breaches, or equally, on waivers, a reasonable response needed to be provided with a robust argument as to why the breach or waiver had been made. To date, no challenges had been made, but this was not to say this wouldn't happen in the future. Members felt that this was an area of concern, and felt that despite the fact that no breaches had yet been challenged, it needed to be made clear, that in fact breaches were very much the exception and that although improvements had been made to procedures, they needed to be tightened further to reflect this.

It was also noted by the Committee that there appeared to be a lack of narrative information with regard to breaches in the report, and Members felt it would be useful if there was more information provided as to 'what, where and when' breaches were made. Officers acknowledged this and would endeavour to provide more information on these issues in future reports.

Simon Wiles

RESOLVED that the Audit Committee noted the information and the actions contained within the report, with regard to waivers and breaches of Contract Procedure Rules

All to Note

29. THE LOCAL GOVERNMENT ASSOCIATION PEER REVIEW AND STATUTORY INTERVENTION IN DONCASTER COUNCIL

The Head of Policy and Performance presented a report that detailed the outcome of the Peer Review which had been carried out by the Local Government Association within the Council, and the effect that this had had on the Statutory Government Intervention that the Council had been subject to. The outcome of the Peer Review had been extremely positive, and as a result, the Intervention had been brought to an earlier than anticipated close after 4 years, and the review paid tribute to the journey that the Council had been on in reaching this point.

The Peer Review detailed the progress made and had put forward a number of recommendations to the Council in order to help the authority achieve a number of objectives. These were detailed within the body of the report.

Members were pleased with the report and embraced the landmark achievement of intervention being brought to an early close. The time during which the Commissioners had been in place, had been a relatively hard and painful 4 years for the Authority and Members were invited to raise any comments that arose as a result of the consideration of this.

The Committee commented that in the past four years, improvements had clearly been made within the Council, with the new administration proving to be effective. It was noted that Councillors from all parties were working together in a much more positive way in order that goals were achieved. The Committee welcomed the good news that the Authority was now officially out of Government Intervention and looked to moving the Council further forward.

RESOLVED that the Audit Committee note the Local Government Association Peer Review and the progress made in becoming 'intervention free'.

All to Note

30. KPMG ANNUAL AUDIT LETTER 2013/14

John Prentice, Director, KPMG presented KPMG's Annual Audit Letter for 2013/14 to the Committee for their comments. The Annual Audit Letter signified the formal sign off of the audit to the Audit Committee. The report detailed that in signing off the Audit, the external auditor had:-

- Issued an unqualified opinion in the Council's core financial statements and associated disclosure notes included in the Councils 2013/14 Statement of Accounts;
- Concluded that the Council made appropriate arrangements to secure financial resilience and economy, efficiency and effectiveness in the use of its resources; and
- Issued an audit certificate to demonstrate the full requirements of both the Audit Commissions Code of Audit Practice and the Audit Commission Act 1998 have been discharged for the year.

Members noted that further improvements had been made during the 2013/14 financial year, with regard to the standard and performance in publishing the audited statement of accounts.

The 2013/14 Statement of Accounts had received an unqualified audit opinion meaning that the financial statements gave a true and fair view of the financial position of the Council. Additionally, the Council also received a Value for Money (VfM) conclusion, which demonstrated the significant progress made by the Authority in the last few years.

It was pointed out however, that although numerous improvements had been made in recent years, there would still be difficult decisions ahead to be made, but the Council were now well advanced to deal with these.

Members thanked John Prentice for his presentation of the report, and were pleased to see that changes were being implemented

and positive progress had been made. Councillor Bosmans commented that in the five years he had been an Elected Member, he had certainly witnessed progress and passed on his thanks to all staff that had been instrumental in making the aforementioned improvements. However, he noted that it was imperative that the Council didn't rest on its laurels, and continued to forge ahead to make further improvements on what was certainly an on-going journey.

The Audit Committee endorsed Councillor Bosman's comments, and the Chair requested that their thanks and appreciation be conveyed to all staff who had been involved.

RESOLVED the Committee:-

- (1) Note the contents of the Annual Audit Letter;
- (2) Note the progress made by the Council in implementing previous audit recommendations; and
- (3) Note the overall significant and positive progress made by the Council

All to Note

### 31. STRATEGIC RISK UPDATE FOR QUARTER 2 2014/15

The Committee received a report updating Members on the Strategic Risks for Quarter Two for 2014/15. The profile of strategic risks was set out in Appendix A to the report and were reported in order of risk score, highest to lowest. Members were informed that due to the significance of this issue, risks were now reported independently in a separate report to the Finance and Performance report in order to ensure they were given due consideration. Members were also informed that Councillor Austen White had now been appointed as the 'Risk Champion', and would endeavour to make progress with regard to areas of concern.

Members raised concerns with regard to Safeguarding, as this was an issue of utmost importance at the present time, and whilst this was reflected as a risk in the register, it was felt more work still needed to be done on this as it was a very difficult issue to predict. The Head of Policy and Performance noted the comments made by Members, and added that this was a new risk, and as this was currently categorised as 'amber' there was a requirement to review this on a bi-monthly basis.

Concerns were also raised as to what would happen now that a large portion of Children's Services had moved to the Doncaster Children's Trust. Members were assured that the Trust would put in place their own internal risk registers and monitor these

accordingly and the Council would ensure they worked closely with them in order that they could report back to ensure that they would continue to review any risks.

A query was raised with regard to Health and Safety risks as these appeared to be absent from the report as information on this matter has been requested at a previous meeting. Members were informed that as this had scored 10 on the register there was no requirement for it to be included. However, the Head of Policy and Performance commented that this could be included on the report, regardless of its score, if Members wished to see it.

Head of  
Policy and  
Performance

Following the queries raised, the Committee acknowledged their acceptance of the information contained within the Risk Register, and the Chair thanked Officers for the report.

RESOLVED the contents of the report be noted.

All to Note

32. UPDATE REPORT – CORPORATE HEALTH AND SAFETY ARRANGEMENTS – INTERNAL AUDIT JULY 2014

Peter Jackson, Internal Audit Manager presented a report to the Audit Committee that provided an update on the Council's Corporate Health and Safety Arrangements following an audit in July 2014. Members were informed that this was a positive update report and largely communicated a 'good news story' as it had shown Corporate Health and Safety arrangements to have been improved. These were as detailed below:-

- Implementation of a Policy Compliance Tool - Members were informed that this has subsequently been addressed;
- Health and Safety Audits – The Committee were informed that the Corporate Health and Safety Team were in the process of producing a more robust system in order to ensure that all establishments were visited as and when required. Additionally, an action plan for each premise would be developed if they did not reach the required level;
- Manager Training – As at July 2014, it was reported that only 48% of people managers had attended the Health and Safety for Managers Training Course. However, steps had been taken to address this, and a big improvement had been made, with this figure now having risen to 83% of people having already attended or booked on.

Members were provided reassurance by Officers, that although the two outstanding recommendations had not yet been fully met, they were on track to do so by their target date of 31st December, 2014. Officers were confident that progress was being made in

these areas and would achieve the deadline.

RESOLVED that the Audit Committee note the progress made by the Health and Safety Manager and Senior Management in implementing the audit recommendations.

All to Note