

**To the Chair and Members of the  
AUDIT COMMITTEE**

**DANVM DRAINAGE BOARD GOVERNANCE REVIEW**

**EXECUTIVE SUMMARY**

1. This report summarises the findings of an audit of governance arrangements at Danvm Drainage Board undertaken by Doncaster Council's Internal Audit service. The work followed complaints made by a member of the Public to the Mayor, after the complainant had already raised the matters directly with the drainage board and not received a satisfactory response from the Board.
2. Our audit opinion was that Governance at the Drainage Board failed to meet governance standards applicable to the Public sector. In particular, there were:
  - A lack of strategic planning relating to water management
  - Questions regarding the appropriateness of the use of Public resources
  - Inadequate transparency and accountability relating to decision making and responsiveness to complaints from the Public
  - Inadequate arrangements and compliance with declarations of interest requirements.
3. We also found other significant concerns regarding the activities of some former Board Members, such that we felt we needed to make South Yorkshire Police aware of these concerns. In the event, having looked at the information presented to them, South Yorkshire Police decided no action should be taken.
4. Two Board members including the former Chair of the Board resigned during the course of the review.
5. The reason this is important to Doncaster Council and its Audit Committee is that the drainage board raises a large proportion of its funding via Doncaster Council. It is a significant partnership and presents a number of lessons to the Council in relation to its working with partners and the Council's expectations that partners should comply with the same standards of governance that the Council itself has in place. Our current work on partnerships' governance will seek to ensure partnerships meet the high standards expected of them, but that where they are falling short, the Council's representatives on the partnerships can be supported to raise matters appropriately and help achieve appropriate remedial action.
6. The audit report presented to Danvm Drainage Board is attached at **Appendix 1**. This is a public document. Following the reporting of the audit to

the Board, the Board established a task and finish group to implement the recommendations made in the report and we are pleased to note that many of the actions have been implemented, with several being adopted while we were carrying out the audit.

## RECOMMENDATIONS

7. **The Audit Committee is asked to note the outcome of the audit review and the significance of the findings in relation the Council's own partnership governance arrangements.**

## BACKGROUND

8. The Danvm Drainage Board was formed in April 2012 by a Constitution Order under the Land Drainage Act 1991 (as amended) following amalgamation of the Dearne & Dove IDB, Dun Drainage Board, Knottingley to Gowdall IDB and Went IDB and covers an area of 21,526 hectares. The Board's purpose is to protect people and their property against river and surface water flooding, through water level management within low lying areas predominately from the north of Doncaster up to the River Aire.
9. The Danvm Drainage Board works with other public bodies such as the Environment Agency and Local Lead Flood Authority to manage water levels for the overall benefit of people, property, commerce, industry, agriculture and the aquatic environment within the defined Drainage District.
10. There are 25 Board Members (Commissioners), of which 12 are elected landowners and 13 are nominated Commissioners from levy-paying Local Authorities. The Board meets three times a year, with administrative and technical support being provided through a tendered Clerk of Works Service Contract. The current contract is with JBA Bentley.
11. Approximately 86% of the funding for Danvm Drainage Board comes from a levy against Local Authorities as shown below:

### For the 2014/15 Financial Year,

	£	%
Drainage Rates (from local landowners)	134,630	14
Levies: -		
Barnsley Metropolitan Borough Council	28,139	}
Doncaster Metropolitan Borough Council	425,234	}
East Riding of Yorkshire Council	9,744	}
Rotherham Metropolitan Borough Council	1,878	}
Selby District Council	300,591	}
Wakefield Metropolitan District Council	76,375	}
<b>Total</b>	<b>976,591</b>	<b>100</b>

The levy against Doncaster MBC provides Danvm Drainage Board with 44% of its standard income

## UPDATE

12. Further issues have been raised by the members of the public making the original complaints and these are being worked through with the Board leadership and management.
13. A client group of appropriate local authority officers is being formed from the relevant authorities to help oversee and coordinate governance and water level management activities at other drainage boards in the area.

## WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

14. Drainage Boards play a significant part in water level management within and beyond the Borough. Effective governance supports the Board's arrangements for the delivery of its objectives.

## BACKGROUND

15. This report provides the Audit Committee with information on the outcomes from internal audit work at the Danum Drainage Board and allows the Committee to discharge its responsibility for monitoring the Councils exposure to risks associated with the activities of external organisations with whom the Council has significant financial and non-financial interests.

## IMPACT ON THE COUNCIL'S KEY PRIORITIES

16. Internal Audit assesses how effectively the Council is managing risks that threaten the achievement of the Council's objectives. Any improvement in the management of the risks will have a positive impact thereby increasing the likelihood of the Council achieving its objectives. Internal Audit's work is, therefore, relevant to all priorities but in particular the following:

<b>Priority</b>	<b>Implications</b>
We will provide strong leadership and governance, working in partnership.	The work undertaken by Internal Audit improves and strengthens governance arrangements within the Council and its partners.
We will deliver modern value for money services.	Approximately 85% of the funding for Danvm Drainage Board comes from a levy against Local Authorities. Local Authorities are required to ensure that public funds are spent appropriately and represent value for money. Effective Governance at the Drainage Board help improve performance and the efficiency of the organisation which in turn impacts on the funding levy paid by

	Doncaster residents
<p>We will make Doncaster a better place to live, with cleaner, more sustainable communities.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	<p>The Board's purpose is to protect people and their property against river and surface water flooding, through water level management within low lying areas predominately from the north of Doncaster up to the River Aire.</p>

## RISKS AND ASSUMPTIONS

17. Failure to address governance weaknesses at the Drainage Board exposes the council to the risks associated with partnership working that can impact on a number of levels as follows:
- Failing to ensure an effective Strategic Fit with the authorities flood risk management responsibilities
  - Reputational damage to DMBC due to flawed partnership working
  - Conflict of interest not being managed
  - Damaged relationships with partners
  - Failing to achieve value for money for Doncaster residents

## LEGAL IMPLICATIONS

18. The Council's Monitoring Officer has been closely involved in aspects of the review and the resolution of the complaints raised by the members of the public.

## CONSULTATION

19. There was consultation with relevant board members and the Clerk and his staff throughout the review. There was also considerable engagement with the members of the public who raised the concerns originally.

This report has significant implications in terms of the following:

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

## BACKGROUND PAPERS

20. Doncaster MBC, Internal Audit Report - Danvm Drainage Commissioners – Governance Audit 2014

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### **Appendices**

**Appendix 1 - Doncaster MBC, Internal Audit Report - Danvm Drainage  
Commissioners – Governance Audit 2014**