

To all Members of the

AUDIT COMMITTEE

AGENDA

Notice is given that a Meeting of the above Committee is to be held as follows:

VENUE Council Chamber - Civic Office
DATE: Thursday, 19th November, 2015
TIME: 2.00 pm

Items for Discussion:

	PageNo.
1. Apologies for Absence	
2. To consider the extent, if any, to which the Public and Press are to be excluded from the meeting.	
3. Declarations of Interest, if any	
4. Minutes of the meeting held on 16th September, 2015	1 - 12
A. Reports where the public and press may not be excluded.	
5. Financial & Purchasing and Contract Procedure Rules.	13 - 26
6. Danvm Drainage Board Governance Review Update.	27 - 48
7. Review of Progress in implementing external inspection recommendations.	49 - 62

Jo Miller
Chief Executive

Issued on: Wednesday, 11 November 2015

Governance Officer
for this meeting:

Sarah Maxfield
Tel: 01302 736723

Members of the Audit Committee

Chair – Councillor Austen White
Vice-Chair – Councillor Richard A Jones

Councillor Susan Durant, John Healy and Alan Jones

Co-opted Member: Kathryn Smart

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

16TH SEPTEMBER, 2015

A MEETING of the AUDIT COMMITTEE was held in the CIVIC CHAMBER, CIVIC OFFICE, DONCASTER on WEDNESDAY, 16TH JULY, 2015, at 2.00 P.M.

PRESENT:

Chair – Councillor Austen White
Vice-Chair – Councillor R. Allan Jones

Councillors Susan Durant, John Healy and Alan Jones.

Co-opted member: Kathryn Smart

Also in attendance:

Simon Dennis, KPMG
Simon Wiles, Director of Finance & Corporate Services
Steve Mawson, Assistant Director of Finance & Performance
Pat Higgs, Assistant Director of Adult Social Care (Item 7)
Colin Earl, Head of Internal Audit
Peter Jackson, Internal Audit
Howard Monk, Head of Policy and Performance
Helen Potts, Principal Legal Officer (Item 10)

	<u>ACTION</u>
18. <u>DECLARATIONS OF INTEREST, IF ANY</u> There were no declarations made at the meeting.	All to note
19. <u>ORDER OF BUSINESS</u> At this point of the meeting the Committee agreed to the variation of the order of business by considering Agenda Items 11 and 10 following the approval of the minutes of the last meeting before returning to the order of business as specified on the agenda <u>RESOLVED</u> that in accordance with Council Procedure Rule 4, the order of business be varied as specified above before returning to the order of business specified on the agenda.	All to note All to note
20. <u>MINUTES OF THE MEETING HELD ON 16TH JULY AND THE RECONVENED MEETING HELD ON 31ST JULY, 2015</u>	

RESOLVED that the minutes of the meeting held on 16th July and the reconvened meeting held on 31st July, 2015 be approved as a correct record and signed by the Chair.

All to note

Minute No 15 Annual Fraud Report – 2014/15 Executive Summary (31st July, 2015)

With regard to the request for further details on fraud related incidents with the Blue Badge Scheme, Colin Earl stated that since the last meeting a draft policy had been produced which identified the proactive activities being carried out. Colin reported that further staff training would also take place on enforcement. Members were advised that Internal Audit felt more comfortable with the issue but an eye would be kept on the situation.

Minute No 5 2014/15 Annual Governance Statement (16th July, 2015)

In relation to the query regarding the Claw back on the White Rose Way Scheme, Simon Wiles, Director of Finance & Corporate Services reported that the European Commission had indicated that they were not happy with the procurement process for some of the road scheme. Simon stated that the Council didn't agree with this and that a standard framework contract had been used which was perfectly legal. He also stated that the Department for Communities and Local Government (DCLG) had not raised any concern. It was highlighted that a response to the report should be made in December 2015.

All to note

21. ANNUAL GOVERNANCE STATEMENT 2014/15

The Committee received the Annual Governance Statement 2014/15 which was for information only. It was reported that there had been a late change with regard to Contract Procedure Rules, stating that these would be presented to Full Council in November and not July 2015.

All to note

A query was raised with regard to the asterisk against some of the paragraphs and what these meant. Howard Monk stated that these section related to the Children's Trust. He reported that the Council were working with the trust and a group had been set up to look at these issues. It was suggested that a new deadline be highlighted on the document with an explanation within the text.

Howard Monk

Councillor Richard A Jones requested an explanation as to why there were further discrepancies in relation to personal assets as it was thought that these had been written off. Steve Mawson, Assistant Director of Finance and Performance stated that the fundamental issues raised earlier had been clarified and dealt

with, but these were further issues being identified. Members were assured that these were new issues and were being looked into.

RESOLVED that the report be noted.

All to note

22. COVERT SURVEILLANCE – REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE

The Committee received an update report on Covert Surveillance which would now be reported on a 6 monthly basis. Appendix 1 of the report detailed the recent covert surveillance authorisations.

Members were advised that recent awareness raising within the Council of the requirements for covert surveillance, the RIPA process and the use of social media had led to some enquiries to legal services and also attendance at team meetings to explain the processes. It was highlighted that a meeting had been arranged for October for the authorising officers to discuss the RIPA process.

It was noted that when legal staff had met with teams the majority had a good understanding of the processes and procedures to be followed.

A query was raised in relation the change in government direction and whether there were any changes in legislation that would affect the Authority. It was reported that the recent changes on covert surveillance had been adopted by the Council and none of its applications had been turned down by the Magistrates. At the present time no further restrictions had been identified.

The Chair queried why 1 of the 4 listed in the appendix which had been approved by the magistrate in February was still listed as on-going. Members were advised that an officer had been assigned in an undercover capacity for a year but it was assured that the Council were within the timescale. It was noted that the reason why it was still shown as on-going was that with counterfeit goods it was not just the matter of identifying the perpetrator, the supply chain also needed to be identified. It was advised that once the matter was finalised an update would be provided.

RESOLVED:-

- (1) the RIPA applications that had been completed since 4th February 2015 report and attached at Appendix 1 be noted; and

All to note

- (2) Following the last report, it be noted that arrangements had been put in place to highlight covert surveillance and the RIPA process, particularly the social media guidance and that an email had been sent to the Leadership team with a short article appearing in 'spotlight on managers' which led to some queries and legal staff attending a number of team meetings.

All to note

23. DONCASTER COUNCIL GOVERNANCE PLAN

The Committee received an update report on the Doncaster Council's Governance Plan. It was highlighted that the Council had changed significantly and it was noted that a lot of the information was duplicated and the dates within the document were historic. Members were being advised regarding the removal of the activities that were completed.

Members were advised that the Governance Group had flagged some activities which were of a cause for concern, which were as follows:-

- (a) Recommendation 1: Partnership Risks Managed; and
- (b) Recommendation 11 (new): Annual Governance Statement Process.

With regard to recommendation 1, it was noted by the Governance Group that more work was needed in this area. Also, the recommendations from the Annual Governance Statement were not highlighted within the Plan when this report was drafted. It was reported that these were now included and work was continuing with regard to partnership risks.

RESOLVED that the report and the progress made in taking forward the Governance Plan for 2015 be noted, in particular that five further activities had now been completed and will be removed from the Governance Plan as listed below:-

All to note

- (a) Recommendation 4: The Council should vigorously pursue recovery of payroll overpayments wherever possible, and should write-off amounts where recovery is not possible;
- (b) Recommendation 5.1: Housing Services – Identify any major internal governance risks or capacity to deliver issues with regard to delivery of the improvements and the service in general as part of the Council's quarterly performance management

framework;

- (c) Recommendation 5.2: Children's Services – New CYPS Improvement Plan 2012-13 to be agreed at the Doncaster Children's Board scheduled for 30 March 2012;
- (d) Recommendation 6: Digital Region Limited. The Authority should commission a full independent review of the Digital Region project to identify the lessons that should be learned. The review should be carried out as soon as possible and jointly with other stakeholders; and
- (e) Recommendation 10: The authority should finalise savings for 2015/16 by 31 December 2014.

24. INTERNAL AUDIT REPORT FOR PERIOD: APRIL TO AUGUST 2015

The Committee were presented with an update report of the work completed by Internal Audit for the period 1 April to 31 August 2015 and showed the information in the context of the audit plan for the year. The report also included performance information and details on the implementation of major internal audit recommendations.

Members were provided with a summary of the 4 sections which were examined and the outcomes for each. It was reported there were no major issues for significant concern.

With regard to the progress on the implementation of audit recommendations, a question was asked in relation to the help provided by internal audit and whether the additional time spent with officers had been worthwhile and whether the team were confident that the plan would be completed. It was advised that the confidence was there and currently internal audit were ahead of the schedule.

In response to a question raised regarding debt recovery and discussions on payment of invoices. It was reported that in terms of the debt recovery agency the council were advised to use a framework for the procurement process which was nationally recognised. However, there were several frameworks that could be used but were seen as not very good, so there would be a lot of work to be carried out, making it a longer process to award the contract for debt recovery.

A question was asked as to why there were further discrepancies

found in private care homes and why no further action was to be carried out. Members were advised that this was reported as a separate issue which had been reported to audit and was a one-off. It was advised that this issue arose from the care home itself and unfortunately a culprit had not be found following audit analysis of the situation. It was reported that the team had found a number of management weaknesses and audit had reported these to the care home management to enable them to make improvements to ensure this doesn't happen in the future. It was suggested that for the future an explanation be identified within the report to confirm procedures had been put in place to address the weaknesses.

Colin Earl

Clarification was sought as to how management had responded to the number of weaknesses shown and whether assurance had been given that appropriate measures were being put in place to address these areas of concern. It was reported that the Audit team felt comfortable that management were responding to recommendations and there were no significant concerns.

A question was raised in relation to Payment Cards and whether the Council were at risk until the 3rd Party devices had been eliminated. Members were advised that an officer from ICT had been assigned to look at the 3rd Party devices and an assessment would be made in March 2016, this should ensure that PCI standards would be met in 2016.

RESOLVED that

- (1) the internal audit work completed in the period be noted;
- (2) progress made by officers in implementing previous audit recommendations be noted;
- (3) information relating to Internal Audit's performance in the period be noted.

All to note

All to note

All to note

25. ADULTS, HEALTH AND WELLBEING AUDIT
RECOMMENDATIONS PROGRESS REPORT: Progress on implementing outstanding recommendations in Adults Services, including Mental Health Section 117 refunds.

The Committee considered a report outlining the progress that had been made on implementing outstanding recommendations in Adults Services, including Mental Health Section 117 refunds.

Members were advised that there were 2 major risks that were outstanding which were as follows:-

Direct Payments – Inappropriate amounts being paid to users, inappropriate spend and inadequate recovery processes result in loss of money to the authority. It was advised that although this issue was still outstanding, there was substantial work and resources being put into managing this area from staff within Adults, Health and Communities and Finance and Corporate Services. It was advised that a full review of the process would be taking place, which would identify the amounts that were outstanding to enable the team to plan for the future.

Resource Allocation System (RAS) – Inappropriate amounts being paid to service users. It was reported that a new Resource Allocation System had been implemented. It was noted that Social Workers were required to evidence their judgements around needs, risk frequency and risk severity which managers scrutinise prior to authorisation. It was advised that at present there was insufficient data to be analysed to assess the effectiveness of the new system but Management were satisfied that the revised timescale was still considered reasonable and progress had been made to achieve it.

Clarification was sought regarding the RAS action plan at Annex 2 of the report where it stated that the extent of the work was unknown in relation to analysing the data and whether the date of the 30th September was achievable. It was reported that this date had been changed to the 30th November and was an error within Annex 2, which would be amended.

In relation to direct payments, it was asked what errors had been realised from the work carried out. Members were advised that procedures had not been robust enough to recover monies and actions had not taken place in a timely manner. It was reported that the resources had not been put in place within the required timescale therefore the scale of the problem had not been realised. The service now had a further 8FTE's which had been transferred to the team to help with the work in that area. It was suggested that an explanation for the slippage would be identified within the report.

It was reported that the work required would take a significant amount of time to undergo. It was advised that a lot of work would need to be carried out around training on direct payments and day to day payments to ensure the process runs a lot smoother than it currently does. Although the backlog was taking longer than anticipated, the additional resources brought in would ensure the work was carried out. In terms of improvements for the future, it was advised that a new case management system for Care First had been established to improve the services provided to

Pat Higgs

Peter
Jackson/Pat
Higgs

residents and to provide better support. In relation to residential care improvements would be made through the Help to Live at Home Contract which the Council were currently procuring and although it was not likely to be implemented until April 2016, it had been agreed that sufficient interim arrangements were in place to warrant the de-escalation of this action to significant risk. With the introduction of the new case management system, this would ensure that all parts of the service were working with each other to ensure a much smoother process which would enable the service to learn from recommendations of the Audit.

Members were given the assurance that the recommendations were acted upon. However, if something was to be missed then this would be challenged at quarterly groups meetings and through reports to the Audit Committee. It was also advised that the Audit team were working with the Directorate Management Team to ensure the recommendations were being actively managed and good progress had been noted.

With regard to Section 117 refunds, it was noted that work had been done to identify the number of people, of which there were 28, 9 of which there was no evidence to trace them which left 19 people. It was advised that 13 responses had been received from the Councils initial contact and necessary checks had been carried out. It was decided by the service that there was no further intention of seeking a response from the remaining 6 as it was thought that the service had made reasonable attempts to contact people. This had also resulted in the de-escalation of the action to significant risk.

It was noted that thanks be given to Colin Earl, Peter Jackson and the team for the support they had given the service.

All to note

RESOLVED that the report be noted.

All to note

26. Q1 STRATEGIC RISK UPDATE

The Committee received an update on strategic risks for Quarter 1 2015/16. It was advised that a review of Strategic Risks had been undertaken as part of the challenge process to ensure that the strategic risks reflected the priorities in the Corporate Plan for 2015/16. It was noted that there were currently 14 strategic risks. Paragraph 3 of the report identified new areas that had been nominated for inclusion on the register and, following the review, re-wording of existing risks.

It was advised that a report had been submitted to the Overview and Scrutiny Management Committee and comments were made in relation to whether the risk score of 9 was high enough for the

DN17 Programme and whether Health and Safety should be brought down to a score of 8, both these issues were being considered.

It was asked whether any benchmarking was carried out with other local authorities. Members were advised that with regard to the risk framework the Council do look at the work of other authorities although this was not a matter of course.

Members asked that the Appendix to the report be made clearer, identifying what the differences were between the current score and the target risk score.

Simon
Wiles/Howard
Monk

RESOLVED:-

- (1) the strategic risk profiles at Appendix A of the report be noted; and
- (2) the revisions to the Strategic Risk Register be noted.

All to note

All to note

27. REVIEW OF PROGRESS IN IMPLEMENTING EXTERNAL INSPECTION RECOMMENDATIONS.

The Committee received an update report on the progress made in implementing external inspection recommendations focussing on Children and Young People's Services.

It was reported that in the last few months the Council's Governance Group had been putting in place arrangements for , corporately, to monitor progress in implementing all external inspection recommendations that had been undertaken since 2010.

It was advised that 114 of the recommendations had been completed, 23 of which were in progress and on time and 16 were in progress but out of the recommended timescale. It was also advised that updates for 5 of the recommendations were unable to be reported on for this meeting but would be considered within a future report.

Members sought assurances that the 5 recommendations that were not complete would be. It was reported that some of the recommendations were within the responsibility of the Trust and Audit will be monitoring this progress and providing support to the service as and when required.

RESOLVED that:-

- (1) the updated position in respect of progress on external and inspection recommendations in Appendix A of the report be noted; and
- (2) a further report from Internal Audit be brought to committee once they have validated the information and reviewed the governance arrangements currently in place.

All to note

Howard Monk

28. STATEMENT OF ACCOUNTS 2014/15- ISA 260 REPORT TO THOSE CHARGED WITH GOVERNANCE

Members considered a report detailing the findings from the 2014/15 audit and the key issues that the Committee should consider before the external auditor issues their opinion on the financial statements.

It was reported that the ISA 260 report detailed at Appendix A to the report had to be considered by 'those charged with governance' before the external auditor can sign the accounts which legally had to be done by 30th September, 2015.

Members noted that the overall ISA 260 report was an extremely positive one and it recognised the further improvements that had been made by the Council in preparing the Statement of Accounts for audit. It was therefore stated that KPMG would anticipate issuing an unqualified opinion by the 30th September.

It was reported that during the audit, one material misstatement was identified with Lender Option Borrower Option Loans being incorrectly classified as short term loans rather than long term. Following liaison with KPMG, these have now been re-classified in the accounts.

Members were also advised that the audit identified a potential issue relating to the completion of IR35 assessments for temporary staff. It was noted that Internal Audit were currently carrying out a review of this area. It was highlighted that information needed to be cascaded down to officers that employed temporary staff to ensure they understood the importance of compliance.

Simon
Wiles/Colin
Earl

A question was asked in relation to the South Yorkshire Pension Authority detailed at page 92 of the Appendix A and whether the Council were open to challenge from external audit. It was noted that external audit had concluded that the accounting entries made for the Pension Prepayment were materially in accordance with proper accounting practice. This conclusion was perceived to signify external audit's acceptance. It was noted that further

discussions would be taking place with regard to Pensions.

Overall members were pleased with the positive report and congratulated all staff involved.

All to note

RESOLVED that:-

(1) the action that is proposed in relation to amendments to the accounts as covered in the ISA 260 report

All to note

(2) the contents of the external audit ISA 260 report, be noted;

All to note

(3) the letter of representation be endorsed; and

(4) the Statement of Accounts 2014/15 be approved.

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19 November 2015

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

FINANCIAL AND PURCHASING & CONTRACT PROCEDURE RULES

EXECUTIVE SUMMARY

1. This Report provides Members with details of Waivers and Breaches to Contract Procedure Rules (C.P.R's) for the period 1st April 2015 – 30th September 2015.
2. The table below identifies the number of new waivers and breaches recorded, for each Directorate since the last audit report presented in April. The details of each waiver and breach are summarised in the appendices of this report.

Period 1st April 2015 – 30th September 2015	Breaches	Waivers
Adults, Health & Wellbeing	2	7
Learning & Opportunities: Children & Young People	0	3
Finance & Corporate Services	0	9
Regeneration & Environment	0	10
GRAND TOTAL	2	29

RECOMMENDATION

3. To note the information and actions contained in this report, regarding waivers and breaches of C.P.R's

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. There are no specific implications within this report, with regards to waivers or breaches.

BACKGROUND

6. The Director of Finance and Corporate Services monitors compliance with

Contract Procedure Rules (C.P.R.s) via an update from the Corporate Procurement team, detailing any reported waivers of C.P.R.s and instances of breach

Contract Procedure Rules (C.P.R's)

7. C.P.R.s set various value thresholds (detailed in paragraph 8 below) where commensurate competition should be undertaken by officers to ensure that value for money is being achieved and that all tender opportunities are fairly and appropriately advertised to suppliers.
8. The thresholds within C.P.R.s are set at the Council's discretion as:
 - Under £30,000 – use of an in-house supplier, Council wide contract (these have been established centrally or nationally for everyone to use), framework agreement or approved list or obtain **three verbal** quotes one of which must be from a Doncaster firm where the above is not available and record these quotes in writing as evidence;
 - Between £30,000 and EU threshold currently £172,514 (for goods and services) and £4,332,012m (for works) – use of an in house supplier, council wide contract, framework agreement or approved list or obtain **three written** quotes one of which must be from a Doncaster firm where the above is not available;
 - Over EU £172,514 (for goods and services) or £4,332,012m (for works) – use of an In-house supplier, Council wide Contract, framework agreement or carry out an Open, Restricted or Competitive Dialogue Tender procedure. This includes services under the light touch regime, which generally covers many of the care based services, where the OJEU regulations are less stringent allowing for more flexibility in approach.
9. Whilst the EU thresholds are set within the legislation and, therefore, cannot be waived, it is recognised that from time to time discretionary thresholds within C.P.R's may be a barrier to the delivery of the service and, therefore, Council officers can request that the C.P.R's are waived in specific instances via a C.P.R waiver report, which is approved by the Director of Finance and Corporate Services in accordance with the following permissible exemptions.
 - a. the goods, services or works are proprietary in nature (i.e. where only one supplier can supply the product or services);
 - b. the contract is for goods, services or works that are required in circumstances of extreme urgency;
 - c. the circumstances of the proposed procurement are covered by legislative exemptions (whether under EU or UK. law);
 - d. there are other circumstances that are genuinely exceptional.

Breaches to CPR's

10. Breaches arise from either the aggregation of spend with one supplier going over pre prescribed limits, a complete absence of any identifiable contract, a failure to comply with requirements to obtain adequate competition or an extension of contract beyond its agreed term or lifetime.
11. It is therefore important that steps are taken to ensure breaches are identified, investigated and plans quickly put in place to rectify the position. A summary report is produced for each breach and detail actions required to be taken, including where necessary the decommissioning of contracts.
12. Two breaches to CPR's has been reported this period (see detail at appendix 1).

Update to Breaches previously reported to Audit Committee in April

13. In April 2015, there were nine breaches of CPR's reported to Audit Committee.
14. Four of these breaches have been remedied and contracts awarded in respect of the Charles Court extra care housing, two Keyring schemes, Symology and Record Management.
15. The remaining five breaches remain unresolved as set out below:-
 - *Mortuary Services*. A tender process has been undertaken to rectify the breach, however, the tender process failed to identify a new supplier. We are currently in the process of re-specifying the contract to be re-tendered shortly with the aim of having a satisfactory solution in place by end March 2016.
 - *Doncaster Mind & Changing Lives* – A project brief has been prepared to undertake a full review of mental health services ie to understand the requirements for a relevant and effective social work and care service to those with mental ill-health and their carers. This model may be integrated with RDaSH, to deliver a joint health and social care service; together with a service that is as integrated as far as possible with Rotherham and North Lincs Councils, NHS commissioning and provision and other stakeholders and resources. In addition, the budget preparation for 2016/17, has meant increased focus is needed regarding service modernisation to deliver efficiencies. It is anticipated that the review will be concluded at the end of March 2016.
 - *Older Peoples alarm scheme* with various suppliers – A review of this service is ongoing. It is not known at this stage when the review will be concluded.
 - *Springwell Lane and Lanark Drive* – Discussions are ongoing with the Clinical Commissioning Group (CCG), to finalise ongoing funding responsibility for this service.
 - *Autism Family Practitioners* – To be insourced to the Council.

Waivers to CPR's

16. Twenty nine waivers to CPR's have been approved this period (see appendix 2 for the detail of each waiver).
17. The waivers detailed in this report have been reviewed and agreed either by the Assistant Director of Finance and Performance, the Director of Finance and Corporate Services or the Chief Executive (for Finance and Corporate Services Directorate).

REVIEW OF PROCUREMENT ARRANGEMENTS ABOVE £30,000

18. The Corporate Procurement Team continues to work closely with all Directorates to improve procurement generally, but to also provide assurance that arrangements are robust and compliant with CPR's. Where waivers and breaches are identified, they are recorded and appropriate procurement plans are agreed and developed if/where appropriate.

OPTIONS CONSIDERED

19. Each waiver is examined and where appropriate challenged for alternative options prior to approval.

REASONS FOR RECOMMENDED OPTION

20. It is clearly important that the Council's Contract Procedure Rules are adhered to and that from a governance and procurement perspective, where breaches are identified a robust corrective plan is put in place to protect the council's commercial interests through contracts.

IMPACT ON THE COUNCIL'S KEY OBJECTIVES

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</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><i>Please see Appendix 1 for an explanation of each waiver.</i></p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> 	

	<ul style="list-style-type: none"> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
	<p>People in Doncaster benefit from a high quality built and natural environment.</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>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
	<p>Council services are modern and value for money.</p>	
	<p>Working with our partners we will provide strong leadership and governance.</p>	

RISKS AND ASSUMPTIONS

21. With regards to the ongoing review of commercial arrangements with suppliers the risks of breach of CPR'S potentially exposes the Council to reputational, legal and commercial risk. The review and plans arising from its aim to remedy this and mitigate any remaining open risk.

LEGAL IMPLICATIONS

22. There are no specific legal implications arising from this report. However, Legal Services provide advice and assistance on the specific context of CPR breaches and waivers and reviewing existing commercial arrangements.

FINANCIAL IMPLICATIONS

23. There are no specific implications within this report, as each waiver or breach is considered on its own merits. Where financial implications arise from the wider review of commercial arrangements with suppliers these will be reviewed on a case by case basis.

EQUALITY IMPLICATIONS

24. The author of each waiver would need to consider all equality implications.

CONSULTATION

25. 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

26. None

REPORT AUTHOR & CONTRIBUTORS

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01302 737650

Simon Wiles
Director of Finance and Corporate Services
01302 736907

BREACHES

This appendix details the C.P.R. breaches that have been identified to the end of September 2015, together with a brief explanation of the reasons for the breach and their current status

Directorate & Responsible Officer	Description	Annual Breach Value	Contract End Date	Reason for breach	Proposed action	Timescale for resolution
Adults and Health and Wellbeing	Solar Centre Day Service - RDaSH	£742,000	Contract end date 31.3.13 Contract waiver requested March 2013 Contract waived until 31.3.14	These services formed part of a larger block contract with RDaSH which included day care at the Solar Centre and other learning disability services. This contract expired on the 31 st March 2013. The contract was extended via a waiver until the 31 st March 2014. The breach was not remedied, due to a number of factors predominantly the investigations and subsequent court case relating to the Solar Centre which meant that a formal tender process was delayed, the difficulties in resourcing the individual reviews of service users and ensuring robust Personal Budget arrangements, working with Providers to reduce the budget for this service from £972K in 2012/13 to £742K and the transfer of the RDaSH supported living service to the independent sector	To review each service user and provide them with a personal budget with which they may either continue to purchase these services or seek alternative provision. Consideration has also been given to a time limited tender process whilst this individualised provision is arranged. This option has been rejected due to the complexities around the use of buildings based services currently owned and operated by RDASH.	Scoping work is underway to understand the implications of financial assessments on this group of service users. Discussion re resourcing a review team or using current resources is underway. This will affect the timing of the process. However, of the 73 service users, 20 individuals have been reviewed.

<p>Adults, Health and Wellbeing –</p> <p>Bill Hotchkiss Head of Services – Community Safety) Janice Jones – ARC Manager</p>	<p>Service and Maintenance for public realm CCTV, Concierge/Door Entry and Building Security</p>	<p>£105,000</p>	<p>30/09/15</p>	<p>Due to DMBC needing to consolidate a number of contracts (to achieve best value) for security and the complex nature of the service requirements i.e. CCTV, Concierge/Door Entry and Fire/Intruder Alarms for example together with the supply and maintenance of goods and services a great deal of works has been undertaken to put in place a Frame Work Agreement - the specification and tender documentation were ready to go live onto YORtender in time to meet the deadlines, however it was determined that due to the complexities of the contract/s further measures needed to be put in place with regards to the Legal Agreement in order to protect the interests of the Council, hence the delay and subsequent breach.</p>	<p>Review of the tender documentation is being undertaken before the tender is published on YORtender to ensure the Council's interests are protected.</p> <p>The tender is now due to be published at the end of March 2016.</p>	<p>Frame Work Agreement Tender to be published at the end of March 2016 which will have the necessary legal agreement to protect the Council's interests moving forward.</p>
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APPENDIX 2

WAIVERS

This appendix details the C.P.R. waivers that have been agreed since the last report covering the period 1st April 2015 to the end of September 2015, together with a brief explanation of the reasons for the waiver.

Department	Value	Reason
Finance and Corporate Services CPR/15/03/0004	£11,530	Waiver request granted to extend the current contract for 6 months with Civica due to a delay in Go Live for the new website.
Finance and Corporate Services CPR/15/03/0001	£12,555	Waiver requested to pay subscription fees for 3 years to IDOX to enable the Programme team to search out external funding opportunities. The waiver request was granted on the basis that there is no comparable software available on the UK market.
Finance and Corporate Services CPR/15/03/0007	£72,000	Waiver granted to continue the current arrangements for a further 2 year period, with Rotherham Borough Council to manage the Councils Internal audit function as the current arrangement continues to offer best value for money.
Finance and Corporate Services CPR/14/12/0004	£36,667	Waiver granted to directly award a contract to Xexec for 22 months with an option to extend for a further 10 months to supply mobile devices as part of the Councils new salary sacrifice scheme, due to mobile devices not being covered under the Framework Agreement the Council accessed to implement the salary sacrifice scheme.
Finance and Corporate Services CPR/15/06/004	£3,650	<p>Waiver requested to extend the current contract with Nuway Audio Visual to incorporate the necessary equipment for the audio visual recording of Council meetings.</p> <p>Waiver granted on the basis the original contract included options for audio visual recording which were not taken up at the time of contract award and the system in use, is propriety to Nuway Audio visual.</p>
Finance and Corporate Services CPR/15/07/002	£11,530	Waiver granted for a further 12 months on the basis that Mosiac Public Sector is propriety software belonging to Experian. It is a socio geo-demographic segmentation tool that is utilised by approximately 70% of local authorities within the UK.
Finance and Corporate Services CPR/15/07/003	£70,000	<p>Waiver request to award a contract to the Valuations Office Agency for 5 years to undertake housing dwelling stock valuations.</p> <p>Waiver granted on the basis that the Valuation Office Agency is the only firm able to provide a comprehensive local valuation service and is therefore a proprietary item.</p>

Finance and Corporate Services CPR/15/08/0003	£7,050	Waiver granted to extend the current contract with Hornbill for the provision of the IT Service Management Desk for a further 6 months to identified requirements and tender for a new system.
Finance and Corporate Services CPR/15/09/0001	£27,145	<p>Waiver requested to award a one year contract to Janet (UK) to enable continuation of Internet access to educational establishments using the Internet Connection provided by JANET (UK), while allowing ICT to conduct proof of concept to deliver internet access using an alternative method to our educational establishments to deliver best value and further drive down cost.</p> <p>Waiver granted to allow ICT time to conduct their proof of concept trial.</p>
Regeneration and Environment CPR/15/05/0003	£5,000	<p>Waiver requested to award a contract for 1 month to Lightman Ltd to refurbish two MUGA ends designed and made by Lightman Ltd.</p> <p>Waiver granted due to the propriety nature of the designs used in this particular MUGA.</p>
Regeneration and Environment CPR/15/05/004	£10,000	<p>Waiver requested to directly award a 2 week contract to Westmoreland Plant Hire Ltd to carry out urgent works due demolition works.</p> <p>The waiver was granted due to the urgent nature of the works and health and safety issues to the general public.</p>
Regeneration and Environment CPR/15/06/0002	£5,000	<p>Waiver requested to award a 1 month contract to XP solutions to provide training on their drainage design software.</p> <p>Waiver granted on the basis that the Micro drainage software package is a propriety item of XP solutions.</p>
Regeneration and Environment CPR/15/08/0001	£140,000	<p>Waiver requested to award a 6 month contract to AOne+ for the design and execution of construction works to build a complete package of FARRRS related direction signing on the M18, due to limitations within the current Highways England (HE) contract.</p> <p>The waiver was granted on the basis that the HE had met it EU cap on the value of work it can give to contractors and as AOne+ is a HE appointed contractor the HE gave permission to the Council to directly appoint AOne+ to carry out this work i.e. until such time HE can retender and put in place a new contract.</p>
Regeneration and	£2,160	Waiver granted to extend the current contract with Design by Human for the Doncaster Business website for six months prior

Environment CPR/15/08/0002		to bringing the service in-house.
Regeneration and Environment CPR/15/02/0001	£11,730	<p>Waiver requested to purchase of Operational Materials necessary for the Provision of Duke of Edinburgh's Award, ASDAN Awards and Youth Achievement Awards to DMBC Award Centres.</p> <p>Waiver granted on the basis that these materials can only be purchased from Governing Bodies.</p>
Regeneration and Environment CPR/15/04/0001	£1,000	Waiver granted to award a contract to Leec Ltd to provide an automated Cremator Coffin Charger for a period of one month to Rose Hill Crematorium to enable the Cremator Technicians to trial the charger.
Regeneration and Environment CPR/15/03/0011	Landlord charged circa £300 over a 5 year period	<p>Waiver requested to directly award a contract to The Home Safe Scheme Limited to develop a scheme of co – regulation to be part of a selective licensing scheme in Hexthorpe.</p> <p>Waiver granted on the basis that the selective licencing scheme will effectively allow for privately managed licenses as part of a Council run selective licensing scheme in Hexthorpe.</p>
Regeneration and Environment CPR/15/01/0003	£28,700	<p>Waiver requested to appointment GVA Grimley for 1 month to provide specialist valuation advice and building condition advisory services in preparation for the tender of 7 of the Council's care homes.</p> <p>Waiver granted on the basis that GVA Grimley are specialists in this area of work and were able to meet the Councils procurement timescales</p>
Regeneration and Environment CPR/15/05/0001	£5,000	<p>Waiver requested to engage Edge Analytics to produce a report using the POPGROUP Model to enable the Council to identify housing needs for the next Local Plan period (17years).</p> <p>The waiver was granted on the basis that the POPGROUP model is operated only by Edge Analytics.</p>
Children and Young People's Services CPR/15/01/0006	£30,000	<p>Waiver requested to enter in to a contract for 24 months with Arbour Education Partners which will enable schools to access reports relating to Budget, Attainment and Performance as well as an analysis of their Pupil groups ie to improve performance.</p> <p>Waiver has been granted on the basis that this is a proprietary item.</p>
Children and	£490	Waiver granted to purchase software provided by Pillcreek

Young People's Services CPR/15/01/0005		publishing on the basis that the software is a propriety item.
Children and Young People's Services CPR/15/03/0005	£49,000	Waiver requested to recruit for 10 months an Interim Senior Education Standards and Effectiveness Officer from Veredus for Early Years following the transfer of Early Years Team into Education. Waiver granted on the basis that the Councils current agency contract was unable to supply a person (at that time) with the required specialist skills.
Adults Health and Wellbeing CPR-15-03-0010	£71,272 to a maximum £142,546 Dependent upon the length of the new tender process	Waiver granted to directly award a 6 month contract with the option to extend for a further two, three month periods to Doncaster and Bassetlaw Hospitals NHS Foundation Trust for the continuation of obesity prevention and weight management services (pending a re-tender of the service). The extension became necessary as the previous tender exercise resulted in the successful bidder identified, withdrawing from the process 5 weeks prior to the end of the existing contract.
Adults Health and Wellbeing CPR/15/03/0009	£167,700.00 (Initiatec Limited) £60,000 (Minder Security)	Waiver granted to extend the current contracts for Service and Maintenance for Public realm CCTV, Concierge / Door Entry and Building Security for a period of 6 months, to enable a new Framework contract to be put in place to consolidate and streamline the service and to prevent service disruption
Adults Health and Wellbeing CPR/15/04/0003	£50,000	Waiver requested to extend for a further 6 months the existing contract with Francis Street Medical Centre to provide GP Support into the Adult Social Care Assessment Unit – Positive Step and to prevent unnecessary re-admissions to hospital.
Adults Health and Wellbeing CPR/15/07/0001	£87,000	Waiver granted to extend the current contract with Activist Group Limited for 6 months to include a review of commissioning and programme management to build upon the work already carried out during the PPPR2.
Adults Health and Wellbeing CPR/15/09/0002	£10,000	Waiver requested to provide match funding to Donmentia to manage the development of a dementia friendly community garden on behalf of the Doncaster Dementia Strategic Partnership.
Adults Health and Wellbeing CPR/15/07/004	£22,500	Waiver request to award a three year contract to Warwickshire County Council to commence on 1st April 2016, for the provision of Respect Yourself, a dual platform online sex and relationships

		<p>education resource tailored for Doncaster.</p> <p>Waiver granted on the basis that the website and mobile app to be provided by Warwickshire County Council is propriety in nature.</p>
<p>Adults Health and Wellbeing CPR/15/06/0003</p>	<p>£12,000</p>	<p>Waiver requested to award a 4 month contract to FutureGov to provide consultancy support for the development of new models of working that will seek to make citizens more empowered and engaged in finding advice and support.</p> <p>Waiver granted on the basis that FurtureGov have the necessary, consultancy skills and experience to deliver the required piece of work.</p>

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To the Chair and Members of the AUDIT COMMITTEE

DANVM DRAINAGE BOARD GOVERNANCE REVIEW UPDATE

EXECUTIVE SUMMARY

1. At the April meeting of the Council's audit committee, Internal Audit reported concerns over the governance arrangements at the Danvm Drainage Board. This report provides the committee with an update on progress made since that report.
2. The original 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.
3. 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.
4. 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.
5. Two Board members including the former Chair of the Board resigned during the course of the review.
6. 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.

7. A schedule detailing progress against all recommendations is set out at **Appendix 1**.

UPDATE

8. Good progress has been made since our report in April. Our review raised 40 recommendations in total. As at October 2015, 23 have been fully implemented and all remaining recommendations except one are in progress. The timing of the follow up in September / October was agreed with the Board to allow them time to have implemented the majority of the recommendations. Whilst it is slightly disappointing therefore that not more of the recommendations have been implemented, there is an encouraging direction of travel and improved governance at the Board.
9. The only action not progressed is to produce a procedure for dealing with breaches of the Code of Conduct by Commissioners and any appropriate sanctions that could be put in place. We have also raised three further recommendations to improve actions already carried out where we feel that the action has not addressed the issue as well as intended. Actions here include following up on Commissioners' declarations of interest, stipulating a timescale for new Commissioners to complete their training and to revise the complaints policy to be more balanced. All these actions will be addressed by a task and finish working group
10. Further issues raised by the members of the public making the original complaints have been referred to the National Audit Office (NAO).

These are reported by the board as "The correspondence is extensive and highlights concerns around conflict of interest and lack of competition issues in the awarding of two phases of a Water Level Management Study.

Specifically, the concerns are around three main areas:

- That a company had a dual role in the procurement process as Advisor and Supplier to the Drainage Board, therefore having a substantial conflict of interest;
- That that company benefitted unfairly in the procurement process of Phase 2 of a study, as it had performed Phase 1, and was involved in the preparation of tender documents requiring work to be completed that had been completed in Phase 1, with the result that the process was not competitive; and
- That Danvm Drainage Commissioners did not put in place appropriate contractual arrangements with the company for Phase 1 of the work and that IDB Financial Regulations were not adhered to.

The National Audit Office highlighted the issues with Defra which in turn approached ADA to investigate. A full and detailed response on the issues raised was submitted by the Board directly to Defra. The response has been acknowledged by Defra which will in turn respond to the NAO"

Internal Audit will liaise as required with any of the parties involved in these investigations.

RECOMMENDATIONS

11. The Audit Committee is asked to note the progress of the audit review.

BACKGROUND

12. 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.
13. 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.
14. 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.
15. 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	}
Total	976,591	100

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

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

16. 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

17. 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 Council's 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

18. 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:

Outcomes	Implications
Working with our partners we will provide strong leadership and governance.	The work undertaken by Internal Audit improves and strengthens governance arrangements within the Council and its partners.
Council services are modern and value for money.	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
People live safe, healthy, active and independent lives. <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	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.

RISKS AND ASSUMPTIONS

19. 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

20. 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

21. 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

22. 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**

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DANVM DRAINAGE BOARD – GOVERNANCE AUDIT 2014

Ref.	Report Finding / Recommendation	Status as at end September 2015
G1	<p>Elections take place every 3 years, in line with Standing Orders and the new Chairman is elected at the first Board Meeting. Election information, deadlines, instructions, forms and results are on the Danvm website for public viewing. Board membership is reported on the Danvm website, however, these have not been updated to reflect the current term dates from the 2013 elections.</p> <p>Recommendation G1: A review of the information held on the website should be undertaken to ensure that the information is accurate and up to date.</p>	<p style="background-color: #90EE90;">Fully implemented</p> <p>A review has been undertaken and updates implemented where necessary. Further reviews are now scheduled on a 6 monthly basis.</p>
G2	<p>Some key governance documents such as Policies, Standing Orders, Financial Regulations, Code of Conduct etc. are in place and published on the Danvm website. A review of these has been undertaken during the audit. Additionally, a list of good practice governance documents for IDBs to have in place was issued by the Association of Drainage Authorities in August 2013. This was included within the next Board Meeting papers and discussions held at the Board Meeting on the reported documents that were in place and the 5 that were not in place. At the end of April 2014, it was confirmed that no progress had been made on producing the documents not yet in place. Additionally, the Scheme of Delegation was reported as being in place when in fact there is no Scheme of Delegation, the only delegated powers are granted to the Finance Committee to approve the list of cheques/payments, with all other decisions being made through the Board, as was the Schedule of Matters Reserved for the Board. Although some additional documents have since been produced, it is evident that governance arrangements are in their infancy and much work to further develop, clarify and expand arrangements is still needed.</p>	<p style="background-color: #FFFF00;">Partially implemented – Work in progress</p> <p>Board resolution February 2015: Board supports the use of one overarching document detailing Board Governance.</p> <p>Although one overarching document has not been produced, the current publication of all up to date policies / procedures / rules on the website (policies tab) now pulls the majority of this information together in one central place. Some other relevant information is detailed in the website summary, board and election tabs. The current structure of the policies tab is under review and will be improved if / when the website is updated. This would make it more user friendly and could be a 'quick win' in working towards creating a full constitution document. It is worth noting that any plans to update the website will require Board approval.</p>

DANVM DRAINAGE BOARD – GOVERNANCE AUDIT 2014

Ref.	Report Finding / Recommendation	Status as at end September 2015
Page 34	<p>Recommendation G2: All the documents in place detailing the Board's make up, rules/regulations, policies etc. should be pulled together into one overarching constitution that gives a clear picture as to how the Board is expected to operate.</p>	
G3	<p>Recommendation G3: The outstanding documents (Gifts and hospitality policy, Policy on Anti Bribery, Risk Management Strategy, Scheme of delegation, Division of Responsibilities) should be produced and rolled out with immediate effect.</p>	Fully implemented
G4	<p>Recommendation G4: A training package should be put together for Commissioners covering technical, governance and administrative processes that IDBs are involved with, duties and responsibilities of Commissioners and Board Officers, key governance documents etc. in order that they are fully aware of/can participate fully and appropriately in all Board matters. This should be rolled out to all current Commissioners and any subsequent new Commissioners.</p>	<p style="text-align: center;">Partially implemented – Work in progress</p> <p>A training package has been developed. The Code of Conduct has not been included. This is due to Code of Conduct being discussed on numerous occasions at Board meetings over the last couple of years and being used as an example for discussions during training development. It is understood the training package will be expanded to cover the Code of Conduct following the filling of several IDB vacancies.</p> <p>The training package has been broken down into 7 manageable sessions. 1 session to be completed after each Board meeting and 2 sessions have been undertaken so far. Not all Board members attended the sessions already completed.</p> <p>New Recommendation G4 (follow up): A 'conditions of appointment' document should be considered to highlight the obligations of new board members e.g. the completion of the full training package within a stipulated time period. The document should be signed up to by all new members upon appointment to the Board.</p>

DANVM DRAINAGE BOARD – GOVERNANCE AUDIT 2014

Ref.	Report Finding / Recommendation	Status as at end September 2015
		Training for existing members should be accelerated to ensure that all members have completed full training within the next 6 months.
G5	<p>Recommendation G5: A schedule of review should be formulated for key documentation, which should include policies and procedures as well as all published documentation. Independent and experienced 3rd party support should be sought to achieve this.</p>	<p>Compensating action implemented.</p> <p>Although a schedule has not been produced, individual policies have now been updated with revision information and are published on the website. All key documents have been brought together at recommendation G2, reducing the risk of documentation being missed. It is intended to review each policy every 3 years to coincide with end of term of office. The 6 monthly review of the website at G1 should identify any documentation that has not been reviewed for a considerable time.</p>
G6	<p>The current Standing Orders are based on a model by DEFRA and there has previously been some resistance by DEFRA to any amendments being made. However, an examination of the Standing Orders revealed that they did not fully cover some key good governance areas e.g. How to fill a Board vacancy, Dealing with improper Conduct etc.</p> <p>Recommendation G6: Standing Orders should be expanded to provide clarity on the areas documented in guidance to be issued to Commissioners.</p>	<p>Work in progress</p> <p>Board resolution February 2015: Board supports the decision to write to DEFRA.</p> <p>On 20th January 2015 a letter was sent to DEFRA enquiring as to the possibility of modifying Standing Orders. No response has yet been received.</p> <p>It is understood that the Land Drainage Act 1991 describes how a vacancy should be filled and that dealing with improper conduct is also referred to in brief. This has implications for all IDB's. The Clerk has suggested to the Association of Drainage Authorities that consideration be given to rewriting and updating all model policy / procedure documents published on their website.</p>
G7	<p>Recommendation G7: The Register of Commissioners' interests should be published on the Shire website, so that it is open to public inspection.</p>	<p>Fully implemented</p> <p>Code of Conduct Part 3 appropriately specifies what is to be</p>

DANVM DRAINAGE BOARD – GOVERNANCE AUDIT 2014

Ref.	Report Finding / Recommendation	Status as at end September 2015
Page 36		<p>recorded, when and how. A register is clearly displayed on the website with a supporting map identifying sub catchment areas. The adopted sub catchment map option does take the issue forward of detailing members interests whilst maintaining commercial sensitivity.</p> <p>The register has been updated with information from recently completed Declaration of Interest forms. However, 2 of the elected Commissioners have not declared an interest in any sub catchment areas i.e. they have left this part of the form blank. If these members have land in the sub catchment areas, then they have breached the Code of Conduct.</p> <p>New Recommendation G7 (follow up): The Board should review the updated register. Where anomalies or omissions are found on the register, the Board should consider what action can be taken to ensure its completion. For clarity, where there is nothing to declare on a Declaration of Interest form, the appropriate section should be marked as 'nothing to declare'.</p>
G8	<p>Recommendation G8: The Danvm Drainage Board's workforce i.e. Clerk and associated officers and operatives, should be required to complete a similar declaration of interests form. These should be used to prevent any officer being placed in a position where allegations of them acting for personal gain could arise. These should be retained as internal documents.</p>	<p style="background-color: #00FF00;">Fully implemented</p> <p>As the workforce are not the Boards responsibility, but the Clerks, reliance has been placed on the Clerks statement that 'forms are completed and a register is held within the Clerk's office'.</p>
G9	<p>The Members Code of Conduct published on the Shire website was not the latest version that was agreed at Board on 21/6/13 and which also incorporates a detailed section on the "Key Principles of Public Life". This has since been rectified.</p>	<p style="background-color: #00FF00;">Fully implemented</p> <p>Linked to G1, G3 and G5</p>

DANVM DRAINAGE BOARD – GOVERNANCE AUDIT 2014

Ref.	Report Finding / Recommendation	Status as at end September 2015
	Recommendation G9: All published documents on the Shire website should be relevant and up to date. A review should be undertaken of all information published on the website to ensure it is up to date.	
G10	Recommendation G10: Although the Code of Conduct has been adopted by the Board, each individual Commissioner should sign up to the document, confirming that it has been read, understood and the Commissioner agrees to comply with its contents.	Fully implemented The Clerk confirmed that all Board members have now signed up to the Code of Conduct.
G11	Recommendation G11: All current Commissioners should receive training on the purpose and limitations of Drainage Boards and what is expected of them under the Code of Conduct. Also to be included within the training are the Board's Fraud and Corruption Policy and Whistle-blower Policy Any subsequent new Commissioners should receive similar relevant training.	Partially implemented – Work in progress Linked to G4
G12	At the November 2012 Board, a complaint against a Commissioner's conduct was found to be proven and consideration was given to including sanctions against Commissioners in breach of the Code of Conduct within the Code. Subsequent minutes contained in Board papers of February 2013 (2012.34 page 4) state 'if members abide by the Code or NOLAN then the question of sanctions is redundant' to which all Commissioners agreed. The current Code 8.8 does allow for the Board to give consideration and vote upon when a member may be in breach of the Code. Recommendation G12: The current Code of Conduct does not allow for the removal of a Commissioner, which is in line with the Localism Act. However, any instance of a	Not implemented Currently, there are no powers to remove elected Members. Council nominated Members could be removed by the appropriate Local Authority at the request of the Clerk/Board. Board resolution February 2015: Board agreed the recommendation. Although the first part of the recommendation can only be implemented when a breach of the Code of Conduct has occurred, for the second part no investigative procedure / template report has been produced or possible sanctions considered.

DANVM DRAINAGE BOARD – GOVERNANCE AUDIT 2014

Ref.	Report Finding / Recommendation	Status as at end September 2015
Page 38	<p>Commissioner’s perceived breach of the Code of Conduct should be investigated and a report produced for consideration at the next Board meeting, where a vote shall be taken on whether a breach has actually occurred and this should be detailed within the minutes.</p> <p>The Board should consider a range of sanctions to be included within the Code, and where a breach has occurred the Chair should consider any sanctions that should be applied.</p>	
G13	<p>It was confirmed that the Employee code of conduct is incorporated into the individual Contracts of Employment.</p> <p>Recommendation G13: A Code of Conduct should be a comprehensive document in its own right. Accordingly, the template contract should be checked against other public bodies’ Employee Codes of Conduct (example given to the Board Officers) to see whether all appropriate points are reflected in the current contractual documents. Where there are omissions identified, consideration should be given to implementing a separate supporting Employees Code of Conduct. Employees should be formally trained as appropriate and this should include the Board’s antifraud and corruption and whistleblowing policies. Records of such training should be retained for every employee.</p>	Work in progress
D1	<p>Recommendation D1: Details of how the system allowing the public to address the Board is to operate should be recorded on the website for public knowledge.</p>	Fully implemented
		A Public Forum document is now published within the policies tab of the website.
D2	<p>Recommendation D2: To aid transparency and public scrutiny, members of the public should also be allowed to attend all committee meetings, except where confidential</p>	Fully implemented
		Committee meetings are now advertised on the website and are

DANVM DRAINAGE BOARD – GOVERNANCE AUDIT 2014

Ref.	Report Finding / Recommendation	Status as at end September 2015
	<p>and exempt information is likely to be disclosed. For such items, members of the press and public shall be excluded. A record of this should be made within the meeting minutes. An extract from Doncaster Council’s Constitution, giving appropriate reasons for public exclusion at meetings was produced for Board Officers. A similar document should be produced and adopted.</p>	<p>open to the public. To date there has been no attendance by the public.</p>
D3	<p>Board papers are posted to Board Commissioners 14 days before the Board meeting, which is compliant with Standing Orders which require their dispatch at least 7 days before the meeting, and papers are also published on the website. Minutes of all meetings are circulated internally as soon as possible after the meeting for comment/amendment, although they are not formally agreed, or put in the public domain until the next Board meeting.</p> <p>Examination of the Danvm website at the onset of the audit revealed that only the most recent Board meeting papers were published on the website. Associated Danvm meeting papers were not available prior to the ones for the extraordinary meeting of October 2013 and hence the detail of what the minutes on the website refer to was not available to give a clear picture of the meaning of the minutes. Subsequently, Finance Committee minutes (included within Board meeting papers) prior to 24/9/13 were not available. This was discussed with Board Officers in March 2014 and by mid-April all Board minutes and papers had been published for Danvm and also some for the associated Drainage Boards prior to amalgamation in 2012.</p> <p>Recommendation D3: All Board and Committee agendas, papers and minutes should be published on the Board’s</p>	<p>Partially implemented</p> <p>Board and committee agenda and papers are published on the website. Minutes prior to 2015 are on the website on the minutes tab, however minutes for 2015 are within subsequent meeting papers.</p> <p>The overview schedule has not been implemented, however it is understood that the implementation of a new website would make this feasible.</p>

DANVM DRAINAGE BOARD – GOVERNANCE AUDIT 2014

Ref.	Report Finding / Recommendation	Status as at end September 2015
Page 40	<p>website for public viewing. It would be helpful if these were all located in one area linked to an overview schedule, so that all associated documents can be easily accessed. The overview schedule should include all meetings past and present to provide a clear history of proceedings / events to the general public. It may be that a new overview schedule will need completing each year.</p>	
D4	<p>Recommendation D4: To aid transparency, the designation of the meeting attendees should be stated in the list of attendees within the minutes e.g. G Ivey, Selby Council or J Duckitt, Elected Member, Fishlake area.</p>	Fully implemented
D5	<p>Recommendation D5: Performance Indicators (PIs) should be produced on all key processes. Performance against these PI's should be reported at each Board meeting.</p>	<p style="text-align: center;">Partially implemented – Work in progress</p> <p>To be undertaken in conjunction with Recommendation P4</p> <p>The Board has adopted 3 PIs, which performance against is now reported in Board papers. However, the PIs only cover administrative/governance functions i.e. adherence to complaints procedure, meeting papers issued in timescale, compliance with internal audit recommendations. It was agreed that PIs would be revisited and further developed, possible using the Boards strategic objectives as a starting point.</p>
D6	<p>An examination of the last year's Board Meeting papers and Board and Committee minutes revealed several administrative errors and instances whereby the information could have been made clearer. These were provided to the Board Officers during the audit.</p> <p>Recommendation D6: Processes should be put in place to ensure published minutes are accurate.</p>	Fully implemented

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Ref.	Report Finding / Recommendation	Status as at end September 2015
D7	<p>The current minute-taker, Environment Officer and Senior Administrator produces detailed minutes. However, she also participates in the Board discussions and presents some Board items. Undertaking more than one role makes minute taking difficult.</p> <p>Recommendation D7: Consideration should be given to having a dedicated minute-taker to allow the current minute-taker to discharge her reporting responsibilities and the dedicated minute-taker to fully capture all discussions.</p>	<p style="background-color: #00FF00;">Fully implemented</p> <p>Consideration has been given and this has not resulted in any change in process. It is understood that a review is now to be undertaken of the content of meeting minutes in order to make them more concise.</p>
D8	<p>When a proposal is made at meetings, the numbers for and against the proposal are not always stated, usually stated is 'all in favour' or 'majority in favour'.</p> <p>Recommendation D8: When decisions are taken at any meetings, the meetings minutes should state the specific number of votes for and against the decision.</p>	<p style="background-color: #00FF00;">Fully implemented</p>
D9	<p>Recommendations are shown within meeting papers and minutes in bold text, however, proposals and subsequent decisions are regularly made that are completely separate to these recommendations, these are recorded in meeting minutes but are not subsequently highlighted.</p> <p>Recommendation D9: To ensure that these proposals and decisions are given the same transparency as recommendation decisions, they should also be shown in bold text.</p>	<p style="background-color: #00FF00;">Fully implemented</p>
D10	<p>The role of the Water Level Management Committee has been specifically defined in a 'Terms of Reference' document, however the role of the longer standing Finance Committee has not.</p>	<p style="background-color: #00FF00;">Fully implemented</p> <p>There is now a Terms of Reference for each committee.</p>

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Ref.	Report Finding / Recommendation	Status as at end September 2015
Page 42	<p>Recommendation D10: The role of each Committee should be reviewed, defined, documented and formally agreed by the Board in the form of Committee Terms of Reference. Their responsibilities should be aimed at achievement of strategic objectives and not undertaking operational duties.</p>	
D11	<p>Standing Orders state a quorum of a third of members is required at Board (that would be 9 Commissioners) and resolutions and proposals will be decided by a majority of votes. Standing Orders also state proposals shall be determined by a majority for Committees, although states nothing on the number required to be quorate.</p> <p>Recommendation D11: Standing Orders should be expanded to define what percentage of Commissioners are required to make Committee meetings quorate.</p>	<p style="background-color: yellow;">Partially implemented – Work in progress</p> <p>Standing Orders are prescribed documents and as such will not be amended. To compensate, the Finance Committee Terms of Reference has been expanded to include quorum details, however the Water Level Management Committee has not. Further discussions raised questions about what is an acceptable quorum make up e.g. 1 elected member and 3 nominated and it was agreed that this issue needs further consideration.</p>
P1	<p>The Danvm Drainage Commissioners Vision Statement and Water Level Management Policy is clear in its aims but is not detailed enough to allow effectiveness or achievements to be measured. A Water Level Management Plan has yet to be formulated providing detail of the individual actions required to work towards the Water Level Management Policy. However, this Plan will be developed after the full survey and Hydraulic Modelling of the area has been completed which was agreed at the June 2013 Board meeting. This will ensure there is relevant and up to date information on which to base the Plan.</p> <p>Recommendation P1: After the survey has been completed and all information reviewed and assessed, the</p>	<p style="background-color: yellow;">Pending</p> <p>It is acknowledged that this recommendation will remain ‘work in progress’ for some considerable time as it is dependent on the results of survey (currently being finalized) and subsequent modelling.</p>

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Ref.	Report Finding / Recommendation	Status as at end September 2015
	Vision Statement and Water Level Management Policy should be revisited, updated and a means of numbering/referencing of the items within it should be formulated. This will allow clear links to be demonstrated as to which points contribute to achieving which part of the policy and subsequently the overall vision and can continue within the Water Level Management Plan that will be subsequently produced.	
P2	Recommendation P2: A project plan should be formulated to include all elements of the survey/modelling exercise and subsequent production of the detailed Water Level Management Plan. The project plan should include details of those responsible for each task and target dates for their completion. Progress against this project plan should be reported to each Board meeting, who should consider any reasons for delays or outcomes of the work done and revise plans as necessary or take other remedial action.	Pending A project plan cannot yet be created as the extent of the modelling exercise is dependent on funding and all elements of a project plan would emanate from there. All funding has not yet been agreed
P3	Recommendation P3: After the study has been completed and a Water Level Management Plan produced, financial information should be developed to show that expenditure plans correlate to the agreed Board priorities. A long term spending plan can then be developed to ensure that the necessary resources are available to meet the Boards long term vision.	Pending
P4	The Board itself has no measures / key performance indicators. DEFRA has commissioned work from RPA Consultants to identify KPI's for IDBs, these have had input from Boards / Board Officers and have been out to consultation and some have been trialed. Further advice is awaited from DEFRA.	Partially implemented – Work in progress To be undertaken in conjunction with Recommendation D5

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Ref.	Report Finding / Recommendation	Status as at end September 2015
Page 44	<p>Recommendation P4: Key Performance Indicators should be adopted to measure all aspects of the Board’s performance. These should be informed by, but not limited to the recent DEFRA consultation exercise. Results against PI’s should be reported to each Board for remedial action to be taken where necessary and hence made available for public scrutiny.</p>	
F1	<p>Brodericks GBC is the Internal Auditor and has been in place for some 10 years. They were appointed after tender across all Shire IDBs to undertake the annual audit in line with 2003 Accounts and Audit Regulations. The latest audit covered the period ended 31/3/2013 accounts and also audited the Governance Arrangements and Decision Making Arrangements following the “Caldicot & Wentlooge - Report in the Public Interest” dated October 2012. The only significant risk reported in the latest Internal Auditors report was in respect of the composition of the Board. The report was discussed in December 2013 at an annual review meeting held across IDB’s set up for this purpose, and a report of that meeting included within the February 2014 Board papers. The Auditor’s report was not published, but has been since.</p> <p>Recommendation F1: Given the significant findings in this report we consider that the Internal Audit Service Contract should be re-specified and re-tendered ensuring the scope of any audit will be comprehensive and fully compliant with auditing standards. All audit reports should be published (redacted as necessary) on the website for public scrutiny.</p>	<p>Work in progress</p> <p>Quotations are currently being sought.</p> <p>The service will in future be retendered on a 5 yearly basis.</p>
F2	<p>Where work is required under permissive powers i.e. the IDB requires the riparian landowner to undertake some work, the IDB give an estimate to the landowner and then</p>	<p>Fully implemented</p> <p>The Boards non culverting policy is detailed within the Boards</p>

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Ref.	Report Finding / Recommendation	Status as at end September 2015
	<p>do the work (if agreed) and recharge. Historically, occasional work has been undertaken by the IDB culverting (laying pipes in ditches then filling the ditch in to increase the agricultural land availability for the land owner); however, this has not always been charged in full.</p> <p>Recommendation F2: The IDB has a non culverting policy in place. Future culverting work should not be undertaken unless it can be specifically demonstrated that it also meets the agreed Board priorities.</p>	<p>Environmental Position Statement.</p> <p>Any future culverting work will be agreed by Board after consideration of the benefits to the Boards objectives.</p>
C1	<p>Recommendation C1: A Complaints Procedure should be written and included on the Board’s website, in order to clarify and supplement the information already published and ensure that all complaints are dealt with in a uniform manner and within stipulated timescales.</p> <p>The procedure should incorporate the following points;</p> <ul style="list-style-type: none"> ▪ It should be clear that all correspondence relating to the complaint should be sent to the Administrator, ▪ Similarly, internal procedures should be amended to state that all complaint correspondence will be received and dispatched by the administrator, ▪ Dealing with further correspondence and reporting to the Board, ▪ Dealing with Freedom of Information requests (FOI), ▪ Keeping the complainant updated on progress, ▪ Appeals procedure. 	<p>Fully implemented</p> <p>The Shire Group website clearly and appropriately overviews the right to complain and complaints process is included within the complaints form. A detailed complaints policy was adopted at June 2015 Board, this is now on the Danvm website. The adopted policy holds all the details specified in the report recommendations (bar FOI, which is covered by legislation).</p> <p>However, the policy disproportionately details vexatious complaints i.e. approximately 4 of the 5 pages of the policy are in respect of vexatious complaints. This could have a further negative effect on any potential complainant.</p> <p>New Recommendation G7 (follow up): The aims of the policy ‘to assist in dealing with all complaints in ways which are consistent, fair and reasonable’ should be expanded upon to make the policy more balanced. An overview paragraph on vexatious complaints should be included within the complaints policy and the remainder of the vexatious complaints detail should form a separate vexatious complaints policy.</p>
C2	<p>Recommendation C2: A copy of each complaint (redacted</p>	<p>Fully implemented</p>

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Ref.	Report Finding / Recommendation	Status as at end September 2015
Page 46	as appropriate) should be appended to Board papers to allow transparency and public scrutiny. The complaint form and procedure should make it clear that if not satisfied with the Board response, a Complainant can refer matters to the Local Government Ombudsmen.	Copies of complaints are now within meeting papers. These are not redacted as per DMBC advice, however, it is understood that the Board has since taken and are following advice directly from the Information Commissioner on this issue.
C3	<p>A complaints register is maintained and used for learning points.</p> <p>Recommendation C3: The Complaints Register would benefit from having a column to record all the dates that each complaint has been reported to / discussed at board, in order to be able to readily recreate the full complaint history.</p>	<p style="background-color: #00FF00;">Compensating action implemented.</p> <p>A table is now included within Board Meeting papers which shows the status of complaints and the date of which the complaint was received.</p>
C4	Recommendation C4: Where complaints are upheld and deemed to be sufficiently serious, the Commissioner concerned should be named to ensure transparency and accountability for their actions.	<p style="background-color: #FFFF00;">Pending</p> <p>Although this recommendation has been accepted, it can only be seen to be implemented when and if a complaint against a Commissioner has been received.</p>
C5	<p><u>Complaint dated 17/4/13, Instance 1 – Replacement of bridge across the Engine Drain at Braithwaite in 2008.</u></p> <p>The bridge was owned by a current Commissioners family and this is documented clearly in Board minutes, along with the decision to purchase a new bridge. The new bridge was constructed using Board workforce and paid for by the Board. Construction is documented in various meeting minutes. The Commissioner attended meetings at the time of the works and also when the complaint was discussed but did not declare an interest.</p> <p>An invoice was subsequently raised in June 2013 for £3328, being the cost of the works. To date the invoice has not been paid.</p>	<p style="background-color: #00FF00;">Fully implemented</p> <p>The debt was pursued and legal advice taken when the debt was not paid.</p> <p>Subsequently, a recommendation was made to June 2015 Board from the Finance Committee ‘Engine Drain Debt to be written off’.</p>

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Ref.	Report Finding / Recommendation	Status as at end September 2015
	Recommendation C5: The debt should be pursued.	
C6	Recommendation C6: Expenditure should only be incurred if it can be specifically demonstrated that it links in to Board priorities and a cost/benefit analysis has been produced, and / or an Impact Assessment considering all options/possible outcomes for the proposed works. A report template should be produced to record all such information and any associated documentation considered when making the decision.	<p style="background-color: #00FF00; display: inline-block; padding: 2px;">Fully implemented</p> A Minor Works Impact Assessments form has been developed for use to improve the recording of evidence justifying decisions.
C7	Recommendation C7: The review and refresh of the Board's Standing Orders and Code of Conduct being carried out in line with recommendations at G6 should ensure consistency between the documents with regard to declarations of interest.	<p style="background-color: #00FF00; display: inline-block; padding: 2px;">Current status appropriate</p> The Code of Conduct is now explicit in respect of members' responsibilities to declare interests and not participate in discussions where there is a conflict of interest, however this is now inconsistent with Standing Order 17 which states the Chairman should decide participation. Standing Orders are model orders as prescribed by Defra as an industry standard. The board cannot change its standing orders without Defra approval. It was accepted that there are some instances where although a declaration of interest is made, the member declaring the interest can play a useful part in discussions and in those circumstances the Chairman decides whether or not participation should be allowed.
C8	Recommendation C8: Members attending Board and Committee meetings should comply with Board rules and guidance relating to declarations of interest.	<p style="background-color: #FFFF00; display: inline-block; padding: 2px;">Ongoing</p> Training and guidance has been given.
C9	Recommendation C9: Currently, there are no means of measuring the adequacy of responding to complaints e.g. the number of ongoing and completed complaints. A report	<p style="background-color: #00FF00; display: inline-block; padding: 2px;">Fully implemented</p> A table is now included within Board Meeting papers which shows

DANVM DRAINAGE BOARD – GOVERNANCE AUDIT 2014

Ref.	Report Finding / Recommendation	Status as at end September 2015
Page 10 C10	detailing the status of all complaints should be included within Board papers.	the status of complaints and the date of which the complaint was received.
	Recommendation C10: Training/guidance should be undertaken by persons dealing with complaints on the effective application of the revised complaints procedure and including conflict resolution.	Ongoing All complaint correspondence is subject to peer review.

To the Chair and Members of the AUDIT COMMITTEE

REVIEW OF PROGRESS IN IMPLEMENTING EXTERNAL INSPECTION RECOMMENDATIONS

EXECUTIVE SUMMARY

1. This report provides an update on the report presented to the Audit Committee at its last meeting in September 2015, about progress made in implementing external inspection recommendations across the whole authority.
2. This report reflects the Council's progress in terms of:
 - a) The number of external inspections broken down by directorate; and
 - b) The number of recommendations that have been completed or are outstanding for each inspection.

UPDATE AT NOVEMBER 2015

3. Internal audit has carried out further work to verify the status of recommendations previously reported in the September 2015 report to the Audit Committee.
4. The current position as detailed in **Appendix A** shows there had been 160 recommendations made in inspection reports relating to the whole authority since 2010. Of these:
 - 121 recommendations have been fully implemented
 - 19 were part implemented / in progress
 - 15 were in progress but late – Oct 15
 - 5 where the current status is unknown – *these are for two children's centres who originally reported that these issues had been raised (for the first external inspection AC report), however no further information was provided as to whether these had been implemented or not. These were not referred to in the first audit committee report. These are now considerably out of date and are not being pursued as the current Inspection cycle for Children's Centres is now on hold subject to a national consultation about a future framework as detailed in 6d.*
5. All recommendations included as fully implemented have now been verified by Internal Audit as complete. Also, the outstanding recommendation for Inspection of Safeguarding and Looked After Children (2011) has now been completed.
6. Appendix B details monitoring arrangements for those actions not yet fully complete. Notable items are

- a. Local Authority Arrangements for Supporting School Improvement - The plan to address the recommendations has been submitted to DfES and the team are awaiting approval from the DfES to the proposals.
 - b. Lord Carlile - A suitable compensatory action has been identified and will be progressed
 - c. Moorends Children's Centre - a Recovery Plan has been developed for the centre that addresses the areas for improvement. This is informed by a newly drafted Self Evaluation Form (SEF). There were 15 recommendations of which 5 are currently outstanding.
 - d. Other Children's Centres - The current Inspection cycle for Children's Centres is now on hold subject to a national consultation about a future framework. This has provided management with the opportunity to embed a new performance framework that has been developed to ensure that there is management oversight and scrutiny of all SEFs and plans for those centres that are remaining subject to future inspections both the staffing and structure of the service have altered significantly since 2010-2012, the original recommendations for the remaining centres are out of date and no longer relevant. Accordingly the 14 actions outstanding from the original 50 recommendations are not being actioned.
 - e. Matrix Quality Standard and Skills Funding Agency for Adult, Family & Community Learning & Apprenticeships - post inspection action plans have been developed from these inspections which will be reviewed at the end of each academic year. The actions will be RAG rated every term. There is also a governance group which monitors the post inspection action plan and progress against it.
7. This represents a favourable position for the Council in that all outstanding actions have been verified as having appropriate actions plans and processes in place, and have management oversight over their implementation.
 8. Internal Audit will work with the Performance Policy and Research team to ensure there is strong corporate awareness, oversight and monitoring of external inspections.

RECOMMENDATIONS

9. The Audit Committee is asked to:
 - note the updated position in respect of progress on External Inspection recommendations.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

10. Effective oversight through the Audit Committee adds value to the Council operations in managing its risks and achieving its key priorities.

BACKGROUND

11. This report provides the Audit Committee with information on the outcomes from external and inspection work and allows the Committee to discharge its responsibility for monitoring external audit and inspection activity.

OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION

12. This is not applicable to this report.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</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>This applies to all priorities shown.</p> <p>The effective implementation of external inspection recommendations is key to ensuring that the citizens of Doncaster receive a value for money, fit for purpose service from the Council that supports all Council priorities.</p> <p>Monitoring of external inspection recommendations adds value to the organisation through systematic, disciplined approach to evaluate and improve the effectiveness of the Council's services. The work undertaken to monitor our external inspection recommendations improves and strengthens governance arrangements within the Council and in some cases those with our partners.</p>
	<p>People 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>People in Doncaster benefit from a high quality built and natural environment.</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>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	
	<p>Council services are modern and value for money.</p>	
	<p>Working with our partners we will provide strong leadership and governance.</p>	

RISKS AND ASSUMPTIONS

13. The implementation of inspection recommendations is a response to identified risks and hence is an effective risk management action.

LEGAL IMPLICATIONS

14. The implementation of inspection recommendations is a response to identified risks and hence is an effective risk management action.

FINANCIAL IMPLICATIONS

15. There are no specific costs arising from this report.

HUMAN RESOURCES IMPLICATIONS

16. There are no specific Human Resources implications arising from this report.

TECHNOLOGY IMPLICATIONS

17. There are no specific technology implications arising from this report.

EQUALITY IMPLICATIONS

18. 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 action plans developed to address external inspection recommendations and as a result a Due Regard statement has not been completed for this process.

CONSULTATION

19. There is consultation with managers at the outset, throughout and at the conclusion of individual inspections in order to ensure that the work undertaken and findings are relevant to the risks identified and that they are accurate.

BACKGROUND PAPERS

20. Relevant Inspection Reports

REPORT AUTHOR & CONTRIBUTORS

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Simon Wiles
Director of Finance and Corporate Service

EXTERNAL INSPECTION RECOMMENDATIONS

Inspection and Date	Judgement	Number of Recs	Fully Implemented	Part implemented/ In progress	In progress but late – Aug 15
Corporate Reports					
Information Commissioners Office Consensual Audit	Reasonable Assurance	34	34	0	0
Children & Young Peoples Service					
Local Authority Arrangements for Supporting School Improvement	No rating	6	0	6	0
Inspection of Safeguarding and Looked After Children (2011) (*there were 12 recommendations but 11 have transferred to the Children's Trust)	No rating	1	1	0	0
Lord Carlile (*there were 24 recommendations but 19 have transferred to the Children's Trust)	No rating	5	4	0	1
Fostering Service (2010) (*there were 11 recommendations and 11 have transferred to the Children's Trust)	No rating	0			
Adoption Service (2011) (*there were 9 recommendations and 9 have transferred to the Children's Trust)	No rating	0			
Inspection of Local Authority Arrangements for the Protection of Children (*there were 18 recommendations and 18 have transferred to the Children's Trust)	No rating	0			
Intake Children's Centre (2010)	Good	2			
Balby Children's Centre (2010)	Good	2	1	0	1
Adwick Children's Centre (2010)	Satisfactory	3	2	0	1
Rossington Children's Centre (2011)	Good	3	3	0	0
Denaby Children's Centre (2011)	Good	3	3	0	0
Bentley Children's Centre (2011)	Good	2	1	0	1

EXTERNAL INSPECTION RECOMMENDATIONS

Inspection and Date	Judgement	Number of Recs	Fully Implemented	Part implemented/ In progress	In progress but late – Aug 15
Stainforth Children's Centre (2011)	Satisfactory	3	2	0	1
Mexborough Children's Centre (2011)	Good	3	3	0	0
Edlington Children's Centre (2011)	Satisfactory	4	4	0	0
Cantley & Bessacarr Children's Centre (2012)	Satisfactory	3			
Askern Children's Centre (2012)	Good	3	2	0	1
Wheatley Children's Centre (2012)	Good	3	3	0	0
Thorne Children's Centre (2012)	Satisfactory	2	0	0	2
Armthorpe Children's Centre (2012)	Outstanding	2	2	0	0
Beak Children's Centre (2012)	Outstanding	1	0	0	1
Central Children's Centre (2012)	Good	2	1	0	1
Dunscroft Children's Centre (2012)	Good	2	0	0	2
GNR Children's Centre (2012)	Good	2	1	0	1
Sprotbrough Children's Centre (2012)	Satisfactory	5	3	0	2
Moorends Children's Centre (2015)	Inadequate	15	11	0	4
Regeneration and Environment					
SFA Funding for Adult, Family & Community Learning & Apprenticeships	Good - 2	4	0	4	0
Matrix – focus on Adult, Family & Community Learning Service	Retained Matrix Quality Mark	5	0	5	0
Food Standards Agency Audit (2012)	No rating	18	18	0	0
White Rose Way Phase 1 Article 13	Satisfied and Complete	n/a			
White Rose Way Phase 1 Article 16	Satisfied and Complete	n/a			
White Rose Way Phase 2 Article 13	Satisfied and Complete	n/a			
Holmes Market Project Engagement Visit	Satisfied and Complete	n/a			

EXTERNAL INSPECTION RECOMMENDATIONS

Inspection and Date	Judgement	Number of Recs	Fully Implemented	Part implemented/ In progress	In progress but late – Aug 15
Holmes Market Project Article 13	Satisfied and Complete	n/a			
White Rose Way Phase 1 + 2 Article 16	Satisfied and Complete	n/a			
White Rose Way Phase 2 ECA Visit	On Going Audit Process	n/a			
White Rose Way Phase 1 Article 16	Satisfied and Complete	n/a			
White Rose Way Phase 2 Article 13	Satisfied and Complete	n/a			
White Rose Way Phase 1 + 2 Project Completion	Satisfied and Complete	n/a			
Holmes Market Project Procurement Check	Satisfied and Complete	n/a			
White Rose Way Phase 1 + 2 Procurement Check	Satisfied and Complete	n/a			
White Rose Way Phase 1 + 2 Closure Audit	On Going Audit Process	n/a			
South Yorkshire Sector Growth Enhancement Programme	No further action	2	2	0	0
Doncaster CCQ Enabling Infrastructure - Article 13	Satisfied & Complete	n/a			
Doncaster CCQ Enabling Infrastructure - Enhanced Article 13	Satisfied & Complete	n/a			
Doncaster CCQ Enabling Infrastructure - Enhanced Article 13 Review	Satisfied & Complete	n/a			
Doncaster CCQ Enabling Infrastructure - Article 16	Satisfied & Complete	n/a			
Doncaster CCQ Enabling Infrastructure - Final Progress & Verification	Satisfied & Complete	n/a			
Doncaster CCQ Enabling Infrastructure - ECA Visit	Satisfied in the main. Complete	n/a			
Surveillance Information Commissioner inspection	No rating	8	8	0	0
National Measurement Office Audit	No rating	1	1	0	0
Measuring Instruments Directive	No rating	6	6	0	0
DVLA Vehicle Keeper Service Audit	Pass	1	1	0	0
Adults, Health and Well being					
NONE		-	-	-	-

EXTERNAL INSPECTION RECOMMENDATIONS

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Inspection and Date	Judgement	Number of Recs	Fully Implemented	Part implemented/ In progress	In progress but late – Aug 15
Finance and Corporate Services					
Regulation of Investigatory Powers Acts (R.I.P.A)		4	4	0	0
Total Recommendations		160	121	15	19

(5 no information)

OUTSTANDING EXTERNAL INSPECTION RECOMMENDATIONS

Children & Young Peoples Service			
Local Authority Arrangements for Supporting School Improvement			
Recommendation	Responsible Officer and Original Implementation Date	Percentage Complete	Update November 2015
Use all available information, such as the low early years outcomes, to inform the local authority's categorisation of schools and identify schools at risk of decline	Jo Moxon, Assistant Director Learning and Achievement March 2016	0%	The area was re-inspected in March 2015 (1 year into the 2 year plan). These recommendations overlap the original recommendations from March 2014. The plan to address the recommendations has been submitted to the DfES and the team are awaiting approval from the DfES to the proposals
Ensure that the local authority fully evaluates the impact of its work on improving pupils' achievement, including whether the professional development opportunities it brokers are improving outcomes for young people	Jo Moxon, Assistant Director Learning and Achievement March 2016	0%	As above
Improve the effectiveness of the virtual school for looked after children so that all schools are challenged to improve significantly the education outcomes of pupils who are in the care of the local authority	Jo Moxon, Assistant Director Learning and Achievement March 2016	0%	As above
Develop the expertise of all LLEs in supporting and challenging schools and provide evaluative feedback on the effectiveness of their work	Jo Moxon, Assistant Director Learning and Achievement March 2016	0%	As above

Develop school-to-school support further to include opportunities to share good practice between governing bodies	Jo Moxon, Assistant Director Learning and Achievement March 2016	0%	As above
Strengthen the challenge to schools that carry large surplus budgets to ensure that resources are used to improve outcomes for pupils currently in schools.	Jo Moxon, Assistant Director Learning and Achievement March 2016	0%	As above
Lord Carlile (2013)			
Recommendation	Responsible Officer and Original Implementation Date	Percentage Complete	Update November 2015
Every Children's Services manager, without exception and up to Director level, should hold some direct casework responsibilities	Damian Allen, Director of Learning and Opportunities 27 th November 2013	0%	Current position - Proposing that Area Delivery managers but not for the Service Manager, AD or DCS to have direct casework responsibilities within the Council. It is suggested that they would see participation in regular audit to be a more effective and sensible way for Senior Managers to assure the quality and safety of casework decision-making.
Moorends Children's Centre (2015)			
Recommendation	Responsible Officer and Original Implementation Date	Percentage Complete	Update November 2015
Working with early years partners and schools to track the progress that two-year-old children in receipt of nursery education funding are making and to become involved in the school readiness programmes running in the area.	Wayne Hoyle, Service Manager, Learning and Opportunities 1 st June 2015	0%	Meetings are being held with early years partners and schools to develop to develop this area.
Putting in place activities to help parents support	Wayne Hoyle, Service	Partially	Staff are completing Elklan (Speech and

their children's early communication skills.	Manager, Learning and Opportunities 1 st June 2015	complete	Language) training. Speech & language coordinator being recruited. Speech & language included in centre programme.
Working with adult education providers and Jobcentre Plus to put in place a suitable range of training and learning opportunities for adults to gain qualifications and improve their chances of gaining employment.	Wayne Hoyle, Service Manager, Learning and Opportunities 1 st June 2015	Partially complete	Meetings held with Education providers and job centre plus. Adult Family and Community Learning (AFCL) training and learning is still to be delivered.
Putting in place a clear action plan that contains measurable targets, uses effectively the data made available to the centre, and is focused on making a difference for the families that need the most support.	Wayne Hoyle, Service Manager, Learning and Opportunities 1 st June 2015	Partially complete	New performance framework now developed. Action plans and systems to be reviewed.

Regeneration and Environment

Skills Funding Agency for Adult, Family & Community Learning & Apprenticeships

Recommendation	Responsible Officer and Original Implementation Date	Percentage Complete	Update November 2015
Develop tutors' skills to ensure that teaching takes sufficient account of learners and apprentices' starting points so that learners and apprentices make progress beyond the requirements of their qualifications and develop high levels of skills and knowledge. Tutors and assessors should use the results of initial assessment more diligently to plan learning that better meets individual needs. Doncaster Metropolitan Borough Council (DMBC) should develop more resources, including e-learning resources, to ensure all learners can access a wider range of materials and activities that are more challenging.	Scott Cardwell, Assistant Director of Development May 2018	0%	A post inspection action plan has been developed which will be reviewed at the end of each academic year. The actions will be RAG rated every term. There is also a governance group which monitors the post inspection action plan and progress against it.

<p>Raise learners' and apprentices' understanding of equality and diversity so that they can demonstrate a clear understanding of complex issues by improving the use of existing resources, including online resources and e-learning. Develop tutors' confidence to promote equality actively and to explore the diversity of modern Britain with learners and apprentices. Managers and staff should use schemes of work more proactively to plan equality and diversity activities throughout the curricula.</p>	<p>Scott Cardwell, Assistant Director of Development May 2018</p>	<p>0%</p>	<p>As above</p>
<p>Ensure the governing body has membership that matches the revised strategic direction of the service. Provide governors with a wide range of performance data, including information on the quality of teaching, learning and assessment, to enable robust challenge and appropriate support for continuous improvement of learners' and apprentices' experience.</p>	<p>Scott Cardwell, Assistant Director of Development May 2018</p>	<p>0%</p>	<p>As above</p>
<p>Increase the proportion of apprentices who successfully complete their programme within planned timescales through closer monitoring and timely intervention, and clearer lines of management responsibility so that all staff fully understand what is required of them. DMBC should develop more systems of rigorous oversight so that strategic leaders can identify quickly any emerging operational issues.</p>	<p>Scott Cardwell, Assistant Director of Development May 2018</p>	<p>0%</p>	<p>As above</p>
<p>Matrix – focus on Adult, Family & Community Learning Service</p>			
<p>Recommendation</p>	<p>Responsible Officer and Original Implementation</p>	<p>Percentage Complete</p>	<p>Update November 2015</p>

	Date		
The Service has a number of measurable aims and objectives and prescribed learner outcomes. The Service is encouraged to use its distance travelled tool in the Learner Booklet to set baseline measures and measurable targets for learner outcomes in order to drive forward continuous quality improvements to the service. A robust benchmark will enable the Service to agree future measures that will enable it to monitor its progress and more clearly identify service improvements. It may also help in external funding bids.	Scott Cardwell, Assistant Director of Development June 2018	0%	The assessment was carried out in June 2015 with the next one due 2018. A post inspection action plan has been developed of which will be reviewed at the end of each academic year. The actions will be RAG rated every term. There is also a governance group which monitors the post inspection action plan and progress against it.
The Service is encouraged to develop an observation process specifically for the IAG delivery. It will be important to consider the benefits of a process that can accommodate both one-to-one interventions and the delivery of group work. Clearly there will be internal expertise regarding the formal observation of teaching and learning using the Common Inspection Framework 2012 for group work activities, however this is not suitable for all IAG provided by the Service. There may be consideration of National Occupation Standards from the Career Development Institute. This could also help with the IAG Officer job description and person specification.	Scott Cardwell, Assistant Director of Development June 2018	0%	As above
Whilst the Service has a range of mechanisms for seeking feedback. By developing more overt ways of letting learners and partners know what has been done as a	Scott Cardwell, Assistant Director of Development June 2018	0%	As above

<p>result of their feedback (You Said, We Listened...), may assist in securing more feedback as it is clear to learners and partners that comments are taken on board. The benefit could be improved survey results rates.</p>			
<p>There are some small issues in relation to quality assurance of information. The Service is encouraged to date mark publications and to ensure information is up to date at all times. This will help learners to be assured they are accessing the latest version of material, particularly course information leaflets.</p>	<p>Scott Cardwell, Assistant Director of Development June 2018</p>	<p>0%</p>	<p>As above</p>
<p>The Service is encouraged in its plans to review the effectiveness of marketing channels more routinely. This has been completed in the past and by reinstating this action, the Service can assess more carefully the resource allocation to different promotional channels and the return on that investment.</p>	<p>Scott Cardwell, Assistant Director of Development June 2018</p>	<p>0%</p>	<p>As above</p>

19th November, 2015

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

KPMG, ANNUAL AUDIT LETTER 2014/15

EXECUTIVE SUMMARY

1. This report refers to KPMG's Annual Audit Letter for 2014/15, which is attached to this report and is presented to the Audit Committee for its consideration and comment.
2. The Annual Audit Letter signifies the formal sign off of the audit to the Audit Committee. In signing-off the audit, the letter confirms the external auditor:
 - issued an unqualified opinion on the Council's core financial statements and associated disclosure notes included in the Council's 2014/15 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 that the full requirements of both the Audit Commission's Code of Audit Practice and the Audit Commission Act 1998 have been discharged for the year.

RECOMMENDATION

3. **The Audit Committee is asked:**
 - a) **To note the contents of Annual Audit Letter; and**
 - b) **To note the overall significant and positive progress made by the Council.**

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. An unqualified audit opinion on the Council's financial statements indicates that there are excellent internal controls in place safeguarding Council resources. A good Value for Money conclusion indicates that the Council has proper arrangements in place to secure financial resilience and economy, efficiency and effectiveness in the use of its resources adding value to the Council in managing its finances and assisting in improving services provided to the citizens of the Borough.

BACKGROUND

5. Members of the Committee should note that the Council has made further improvements in the timeliness, accuracy and quality of the final accounts work and supporting papers over the last five years. There has this year, once again, been a significant improvement in standards and performance in producing and publishing the audited Statement of Accounts with the draft accounts being authorised for issue on 23rd June and the audited accounts being presented to this Committee on 16th September.
6. The 2014/15 Statement of Accounts received an unqualified audit opinion on 28th September with the audit certificate being issued on 1st October. This means that audit have concluded that the financial statements give a true and fair view of the financial position of the Council and of its expenditure and income for the year. The audit identified just one material misstatement which was presentational in nature.
7. The Council also received a clean Value for Money conclusion. The assessment recognises the significant progress that the Council has made in the last few years.
8. There are no high priority recommendations resulting from the 2014/15 audit work.

OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION

9. This is not applicable.

IMPACT ON THE COUNCIL'S KEY PRIORITIES

- 10.

Outcomes	Implications
<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • Mayoral Priority: Creating Jobs and Housing • Mayoral Priority: Be a strong voice for our veterans • Mayoral Priority: Protecting Doncaster's vital services <p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • Mayoral Priority: Safeguarding our Communities • Mayoral Priority: Bringing down the cost of living <p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • Mayoral Priority: Creating Jobs and Housing 	<p>The external audit assessment shows that the Council has proper arrangements in place to secure economy, efficiency and effectiveness in the use of its resources assisting in improving services provided to citizens of the borough.</p>

<ul style="list-style-type: none"> • Mayoral Priority: Safeguarding our Communities • Mayoral Priority: Bringing down the cost of living <p>All families thrive.</p> <ul style="list-style-type: none"> • Mayoral Priority: Protecting Doncaster's vital services <p>Council services are modern and value for money.</p> <p>Working with our partners we will provide strong leadership and governance.</p>	
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RISKS & ASSUMPTIONS

11. The Annual Audit Letter is reporting on the management of risks by the Council. It is important that effective action is taken in response to any matters raised by the external auditor following their audit so as to assure the Committee about effective risk management across the Council. Consideration of this letter from KPMG is a risk management activity.

LEGAL IMPLICATIONS

12. The Council is subject to statutory external audit. It has obligations to ensure that it's financial and governance affairs are dealt with adequately and in an appropriate manner.

FINANCIAL IMPLICATIONS

13. The final fee for the 2014/15 audit was £219,792. This was in accordance with the planned fee. There is additional work which falls outside of the Public Sector Audit Appointments Limited ('PSAA'):
- Teachers' Pension grant claim £3,250
 - Teacher Training grant return £3,500
 - Homes & Community Agency Backlog Funding grant claim £1,600
14. The audit fees were within budget for the year.

HUMAN RESOURCE IMPLICATIONS

15. Not applicable

EQUALITY IMPLICATIONS

16. Not applicable

CONSULTATION

17. Not applicable

BACKGROUND PAPERS

18. 2014/15 Statement of Accounts
2014/15 Annual Governance Statement
2014/15 ISA 260 Report (To Those Charged With Governance)

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cutting through complexity

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Doncaster Metropolitan Borough Council

October 2015

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Report sections

- Headlines

Appendices

1. Summary of reports issued
2. Audit fees

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies* summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact **Sue Sunderland**, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Trevor Rees (on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

This report summarises the key findings from our 2014/15 audit of Doncaster Metropolitan Council (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2014/15 financial statements and the 2014/15 VFM conclusion.

VFM conclusion	<p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2014/15 on 28 September 2015. This means we are satisfied that that Authority had proper arrangements for securing financial resilience and challenging how it secures economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at the Authority's financial governance, financial planning and financial control processes, as well as the arrangements for prioritising resources.</p>
VFM risk areas	<p>We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.</p> <p>Our initial risk assessment work at the planning stage of the audit identified the following significant matters:</p> <ul style="list-style-type: none"> ■ Challenges linked to the ongoing need to deliver savings and cost reductions to maintain financial resilience. ■ the management of the transition of services to the Children's Trust during 2014/15 ■ The implementation of the Better Care Fund with Doncaster Clinical Commissioning Group <p>The Authority delivered an underspent outturn at the end of 2014/15 and, although this contained one off savings, it once again demonstrated the Authority's success in identifying and delivering its savings plans. Only savings that can be permanently delivered have been built into the budget to address the remaining £70.5m gap and the Authority is currently broadly on target to deliver a balanced outturn for 2015/16 and further work has been completed to ensure that the Authority is able to propose a balanced budget for 2016/17 and meet the remaining savings required of £12m.</p> <p>The arrangements for the outsourcing of the Children's and Young People's Services has gone through an appropriate process. There is periodic reporting to Cabinet in place and relationships between the Trust and the Council are developing.</p> <p>The Council has joint arrangements in place to monitor the delivery of the Better Care fund during 2015/16 and is currently carrying out a governance review to ensure it is complying with best practice.</p>
Audit opinion	<p>We issued an unqualified opinion on the Authority's financial statements on 28 September 2015. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p>
Financial statements audit	<p>We identified one material misstatement in the course of the audit which was presentational in nature and was corrected by officers.</p> <p>The Authority has again produced good quality accounts, well supported by working papers. In particular, the Authority has produced and made available its working papers electronically, which greatly facilitates our audit. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.</p>

All the issues in this Annual Audit Letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

Annual Governance Statement	We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.
Whole of Government Accounts	The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We reported that the Authority's pack was consistent with the audited financial statements.
High priority recommendations	We raised no high priority recommendations as a result of our 2014/15 audit work.
Certificate	We issued our certificate on 1 October 2015. The certificate confirms that we have concluded the audit for 2014/15 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i> .
Audit fee	Our fee for 2014/15 was £219,792, excluding VAT. Further detail is contained in Appendix 2.

Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.

External Audit Plan (February 2015)

The *External Audit Plan* set out our approach to the audit of the Authority's financial statements and to work to support the VFM conclusion.

Audit Fee Letter (April 2015)

The *Audit Fee Letter* set out the proposed audit work and draft fee for the 2015/16 financial year.

Auditor's Report (September 2015)

The *Auditor's Report* included our audit opinion on the financial statements along with our VFM conclusion and our certificate.

December

2015

January

February

March

April

May

June

July

August

September

October

November

Certification of Grants and Returns (January 2015)

This letter dated 12 January 2015 summarised the outcome of our certification work on the Authority's 2013/14 grants and returns.

Report to Those Charged with Governance (September 2015)

The *Report to Those Charged with Governance* summarised the results of our audit work for 2014/15 including key issues and recommendations raised as a result of our observations. We also provided the mandatory declarations required under auditing standards as part of this report.

Annual Audit Letter (October 2015)

This *Annual Audit Letter* provides a summary of the results of our audit for 2014/15.

This appendix provides information on our final fees for the 2014/15 audit.

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To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2014/15 planned audit fee.

External audit

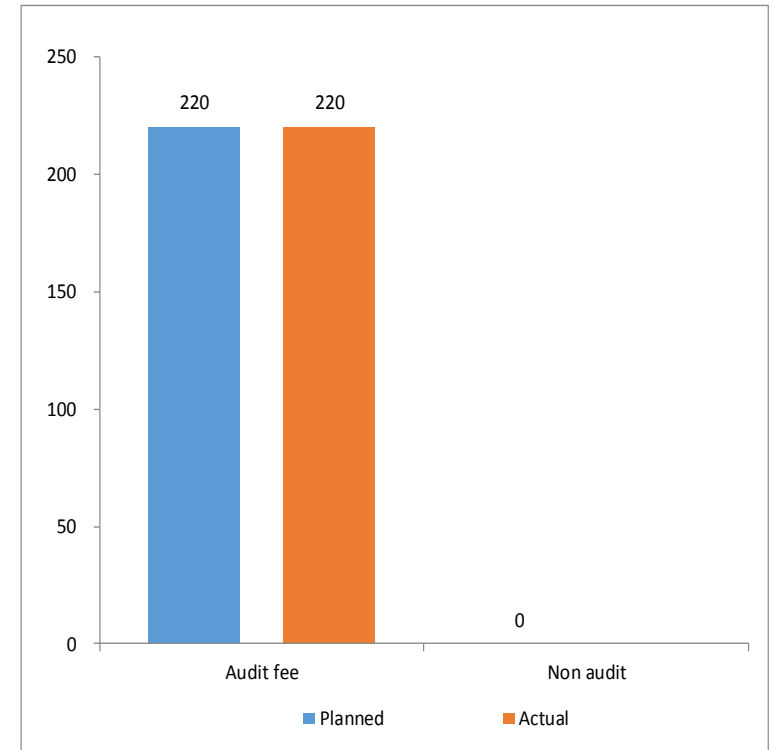
Our final fee for the 2014/15 audit was £219,792, which includes the additional £1,472 incorporated into the scale fee by the Audit Commission linked to the increased audit requirements around NNDR.

Certification of grants and returns

Under our terms of engagement with Public Sector Audit Services (PSAA Ltd) we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The final fee will be confirmed through our reporting on the outcome of that work in January 2016. During 2014/15 we charged for the audit of the Teacher's Pensions grant claim (£3,250), the audit of the Teacher Training Grant return (£,3500) and the audit of the Homes and Community Agency Backlog Funding Grant (£1,600) – all of which fall outside of the PSAA Ltd fee structure.

Other services

We did not charge any additional fees for other services.





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