

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, 17th November, 2016
TIME: 10.00 am

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 17th August, 2016	1 - 8
A. Reports where the public and press may not be excluded	
5. Audit Committee Actions Log	9 - 16
6. Strategic Risk Management in Adults, Health and Wellbeing	17 - 24
7. Adults, Health and Wellbeing Audit Recommendations Progress report in relation to Direct Payments	25 - 34

Jo Miller
Chief Executive

Issued on: Wednesday, 9 November 2016

Governance Officer
for this meeting:

Andrea Hedges
01302 736716

8.	Adults, Health and Wellbeing - Learning Disability/Supporting Living Review.	35 - 42
9.	Breaches and Waivers to the Council Contract Procedure Rules	43 - 62
10.	Covert Surveillance - Regulation of Investigatory Powers Act 2000 (RIPA) - Update	63 - 68
11.	Data Quality and Information Management Update.	69 - 92
12.	Q1 2016/17 Strategic Risk Register Update	93 - 102
13.	Internal Audit Team - Fraud Risk Register and Counter Fraud Initiatives report	103 - 144
14.	External Auditor's (KPMG) Annual Audit Letter 2015/16.	145 - 156
15.	Internal Audit Plan 2016/17 - Proposed Revisions.	157 - 162
16.	Changes to the arrangements for the Appointment of External Auditors.	163 - 170

Members of the Audit Committee

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

Councillor Susan Durant and John Healy

Co-opted Member: Kathryn Smart

Public Document Pack Agenda Item 4

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

WEDNESDAY, 17TH AUGUST, 2016

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER on WEDNESDAY, 17TH AUGUST, 2016, at 10.00 am.

PRESENT:

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

Councillor Susan Durant and Smart and Kathryn Smart, Co-opted Member.

APOLOGIES:

An apology for absence was received from Councillor John Healy.

ALSO IN ATTENDANCE:

Debra Chamberlain – Senior Manager, KMPG LLP
Colin Earl – Head of Internal Audit
Scott Fawcus – Assistant Director of Legal & Democratic Services & Monitoring Officer
Peter Jackson – Internal Audit Manager
Karen Johnson – Assistant Director of Communities
Steve Mawson – Assistant Director of Finance
Gill Scrimshaw – Programme Manager, Improvement Team, Safeguarding Adults Personal Assets Team
Tony Sanderson – Project Manager, Adults and Communities
Faye Tyas – Head of Financial Management, Finance and Corporate Services
Simon Wiles – Director Finance and Corporate Services

Prior to the commencement of formal business, the Chair, Members and Officers, stood in a minute's silence as a mark of respect and remembrance in relation to the recent death of Councillor Alan Jones, former Member of the Audit Committee and ward Member for Norton and Askern, who passed away on 16th August, 2016. The Chair and Members paid tribute to Councillor Jones who would be sadly missed and would be a great loss to the Askern ward.

13 DECLARATIONS OF INTEREST, IF ANY

No declarations of interest were made at the meeting.

14 MINUTES OF THE MEETING HELD ON 22ND JUNE, 2016

In response to a query from the Chair as to the reason why follow-up actions arising from the previous meeting had not been included with the minutes of the last meeting, as agreed previously by the Committee, the Head of Internal Audit apologised for the omission and gave assurances that this information would be provided at the next meeting.

RESOLVED that the minutes of the meeting held on 22nd June, 2016, be approved as a correct record and signed by the Chair.

15 2015/16 ANNUAL GOVERNANCE STATEMENT - (Minute No. 12 – 22nd June, 2016)

Further to the above Minute, the Committee received the Annual Governance Statement for 2015-16. A revised report had been circulated to Members following the dispatch of the agenda papers, which had highlighted a few minor changes to the risk scores within Appendix B. Since the last meeting, Members were provided with an update regarding the Children's Trust Improvement action, as set out on page 7 of the Annual Governance Statement.

The Governance Statement highlighted key areas of improvement from 2014 to 2015 that had been completed and had been effectively managed to the extent that they were no longer significant in 2015-16. In addition, the Statement had identified new significant issues arising from the 2015-16 review of effectiveness of the Corporate Governance arrangements in particular in relation to Safeguarding Adults Personal Assets Team and Learning Disability/Supported Living Reviews, as detailed on page 6 of the Statement attached to the report. An update was also provided on the key areas identified during 2014-15 that remained an issue in 2015-16.

Councillor Richard Alan Jones highlighted inconsistencies within Appendix B of the report, with regard to the information provided relating to the current position of each risk, and felt it would be helpful in future if each risk included information regarding the current position score, in order to provide clarity and understanding. The Director of Finance and Corporate Services acknowledged this and gave assurances to include this information in future reports.

In relation to a query regarding the completion date for the Fraud Code of Practice Assessment, the Head of Internal Audit advised that further work was to be undertaken in terms of consultation around the draft new Code, which was to be completed at the end of August and a report would be presented to the Committee at its next meeting.

A query was also raised in relation to the Income Management Project Plans, which had been produced to work through the opportunities to maximise income opportunities, ensuring income due to the Council was identified, charged and collected for and collected in a cost efficient and timely manner. Members were informed that there were some gaps and weaknesses in this area, and this would require a more comprehensive piece of work and would be brought to the Committee at a future meeting.

Members requested that the Committee receive a mid-year update at its meeting in February on the key improvement areas.

RESOLVED:-

- (1) that the 2015-16 Annual Governance Statement, as attached as Appendix to the report, be approved; and
- (2) to note that the Mayor and Chief Executive will be asked to sign the Statement prior to its publication along with the Statement of Accounts in September, 2016; and

- (3) that a mid-year update on key improvement areas in the Annual Governance Statement, be presented to the Committee's meeting in February, 2017.

16 STATEMENT OF ACCOUNTS 2015/16 - ISA REPORT TO THOSE CHARGED WITH GOVERNANCE - (Minute No. 11 – 22nd June, 2016)

Further to the above Minute, the Committee considered a report which detailed the findings from the 2015-16 audit and the key issues that the Committee should consider before the external Auditor issued their opinion on the financial statements.

Faye Tyas, Head of Financial Management reported that since the last meeting, there had been some changes made to the accounts, identified by KMPG which now had been adjusted, which related to an additional comment that had been included regarding the impact of Brexit following the Referendum and additional information was also provided with regard to the outcome of the Better Care Fund.

Debra Chamberlain, Senior Manager, KMPG, in presenting the key findings of KMPG's ISO 260 report, reported that overall the audit had gone really well. KMPG had given an unqualified audit opinion on the Council's financial statements for 2015/16 and an unqualified Value for Money conclusion for 2015/16, which was an achievement for the Council to be proud of.

Following the presentation of the report, Officers responded to Members questions on a range of issues, and were provided with an explanation of 'Materiality' and how it impacted on the accounts. It was noted that this primarily related to how information was presented in the accounts to identify any significant errors.

In relation to Waste Management PFI contract and the unadjusted audit difference, the Auditor advised that they were seeking confirmation from Rotherham Council, lead authority for the PFI on the valuation of the PFI assets, although it could be confirmed that there were no material issues for reporting.

Following further discussion, Officers responded to questions and concerns on the following issues:-

- the £4.7m overspend in the Adults, Health and Wellbeing directorate
- the £2.4m overspend relating to Council-wide savings targets
- the £700,000 deficit and performance of the Markets Service;
- the increase in staff redundancies
- any future changes to cuts in interest rates and whether this was likely to impact on the Council's future finances
- the potential to build more affordable housing

Further to Members seeking an opinion from KMPG regarding the Finance teams performance in preparing the accounts compared to that of other authorities, the Senior Manager, KMPG reported that the team had been very responsive to KMPG's enquiries and were considered as the top end of the clients that they have worked with. Debra expressed thanks and appreciation to the Finance Team for their help and support throughout the process and commented that it had been a pleasure working with them.

Kathryn Smart thanked Officers in the Finance Team for their assistance in answering her queries raised previously and providing information on the accounts which had been helpful.

On behalf of the Committee, the Chair thanked the Head of Financial Management, the Director of Finance and Corporate Services, the Assistant Director of Finance, and the Finance and Corporate Services Team for the work undertaken.

The Assistant Director for Finance and Corporate Services thanked KMPG for their work and gave particular thanks to Faye Tyas for her efforts on completion of the accounts.

RESOLVED that

- (1) the action that is proposed in relation to amendments to the accounts as covered in the ISA 260 report; be noted;
- (2) the contents of the external audit ISA 260 report; be noted;
- (3) the contents of the Letter of Representation; be endorsed; and
- (4) the Statement of Accounts 2015/16; be approved.

17 INTERNAL AUDIT REPORT FOR THE PERIOD: APRIL 2016 TO JULY 2016

The Head of Internal Audit presented a report which provided an update on the work carried out by Internal Audit for the period April 2016 to July 2016, shown in the context of the audit plan for the year. The report also included performance information and details on the implementation of internal audit recommendations.

Further to the dispatch of the agenda papers, a revised report had been circulated to Members, which referred to revisions to the number of overdue major audit recommendations which had changed from 7 to 9. The Head of Internal Audit highlighted the key changes to the report which now included commentary against each area of work completed in the period and reference was also included to non-major audit recommendations and the progress made to implementing them.

Members raised a number of queries and concerns in particular with regard to the four outstanding recommendations that had slipped by over 12 months which Members felt was a significant period of time and sought assurance with regard to what was being done to manage the risks in real time. It was acknowledged that further work was required in these areas. However, it was explained that some matters required the support of third parties and the Council were relying on information being received in a timely manner in order to deliver within the given timescale. Consequently, the Council was not able to control such matters.

Further to a request from Councillor Richard Alan Jones, the Head of Internal Audit gave an undertaking to look at cross referencing, Internal Audit's Work Programme, to strategic risks where relevant.

RESOLVED that

- (1) the changes to the original audit plan; be noted;

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

18 STRATEGIC RISK REPORT MAPPING

Members considered a report which listed the Council's strategic risks and highlighted the reports that were scheduled to be produced during the year for each of the risks, as set out in Appendix A of the report. Members were asked to nominate the strategic risks it wished to carry out 'deep-dive' reviews on, in order to provide a more in-depth picture of how the risks were managed, reviewed and reported.

RESOLVED that

- (1) the report, be noted;
- (2) the following issues be identified as the nominated strategic risks the Committee wished to carry out 'deep dive' reviews on, to provide a more in-depth picture of how the risks were managed reviewed and reported:-
 - SRO2 - (Adults, Health and Wellbeing Directorate); – to be considered at the meeting scheduled on 17th November, 2016.
 - SR03, SR08 (Finance and Corporate Services Directorate) - and SR013 (Learning and Opportunities, Children and Young Peoples Service Directorate); – to be considered at the meeting scheduled on 25th January, 2017.
 - SR09, SR10 and SR14 – (Learning and Opportunities, Children and Young Peoples Service Directorate) - to be considered at the meeting scheduled on 6th April, 2017.

19 INTERNAL AUDIT TEAM - ANNUAL FRAUD REPORT 2015/16

The Head of Internal Audit presented a report which summarised the work undertaken by the Council during 2015/16 to prevent, detect and investigate fraud and corruption in line with the Government's 'Fighting Fraud and Corruption Locally' strategy.

During the year the Council delivered a series of fraud risk workshops and fraud risk training events for senior managers, key personnel and elected Members in order to raise awareness of fraud risk. In answer to a Members question, it was confirmed that employees were encouraged to come forward with any genuine concerns. The Monitoring Officer kept a register of all Whistleblowing complaints and whilst the number of entries, were relatively low, the Council endeavoured to promote reporting of wrong doing without fear of reprisals.

Members were informed that a draft fraud risk register was currently being produced, which would be presented to the Committee at its next meeting.

Members' attention was drawn to Page 7 of Appendix 1 to the report which provided details regarding a fraudulent claim made to the value of £25k which had been successfully detected and prevented as a result of the controls in place. Members were pleased to note that the actual incidences of fraud remained very low taking into account the Council's activities, which was a testament to the systems in place within the Council.

Further to a request from Members, the Head of Internal Audit provided Members with a brief update on housing benefit fraud activity, following the responsibility of investigating benefit and tax credit fraud being transferred to the Department of Works and Pensions in September 2015. Members were informed that the Council had been provided with limited information in relation to the prosecutions previously under the Council's control. During discussion, it was subsequently agreed that the Head of Internal Audit would speak to the Head of Revenues and Benefits, with regard to a general update being provided to Members on the work of benefit fraud and how the transfer of the service had impacted on the Revenues and Benefits team, at a pre-Committee training session, prior to the formal meeting of the Committee.

RESOLVED that

- (1) the production of the Counter Fraud Report, be supported;
- (2) appropriate publicity be produced to highlight the outcomes from the Council's anti-fraud activity and to act as a deterrent to fraud; and
- (3) a briefing on Fraud prevention activity be presented to a future pre-training session, including how the transfer of the service had impacted on the Revenues and Benefits team.

20 ADULTS, HEALTH AND WELLBEING - LEARNING DISABILITY/SUPPORTING LIVING REVIEW - UPDATE REPORT – (Minute No. 12 – '2015/16 Annual Governance Statement – 22 June, 2016)

Further to the above Minute, the Committee received an update in relation to the progress being made in relation to the Learning Disability/Supported Living Review.

An improvement area had been identified within the Annual Governance Statement in relation to annual reviews with the Learning Disability Team, in that there was a risk that some of these reviews may be individuals who had not had a financial assessment, were not contributing to their care and support and had not been considered for CHS funding. Members noted that a robust review was being undertaken to better understand the accommodation and support needs of each individual.

Karen Johnson Assistant Director of Communities was in attendance and responded to Members questions. It was reported that good progress was being made and all 267 individuals had been financially assessed and it was anticipated that their records were to be inputted onto the Care First system in November.

In relation to a query as to whether there were any financial risks associated with the conclusion of the work of the review, Members were informed that overall, the financial impact for the Council was very minimal, however in terms of the individuals affected

there was a more significant changes because their care package had changed or had not been properly charged for in the past.

In view of the Adults Team Manager not being in attendance at the meeting, Members requested that a more detailed report be brought back to a future meeting, providing;-

- a breakdown of the numbers of those service users eligible for CHC funding who were not claiming it;
- those that may be eligible to pay towards the support they are receiving
- what amount of supported living allowance they were receiving; and
- the arrangements now in place to avoid a significant backlog happening in the future.

RESOLVED that

- (1) the update and progress made regarding the Learning Disability/Supported Living Review, be noted; and
- (2) a further report be brought back to a future meeting.

21 SAFEGUARDING ADULTS PERSONAL ASSETS TEAM - RESPONSIVE REVIEW

The Committee considered a report on progress being made implementing measures, following a review of the Safeguarding Adults Personal Assets Team (SAPAT), part of the Adults Health and Wellbeing Directorate, following concerns raised by senior managers about the level of funds held by SAPAT service on behalf of vulnerable clients and the level of any housing benefits and financial support that some clients were receiving which was at odds with the values held in their bank accounts.

Members noted that a full review had been undertaken of the team and its operations. The review had identified serious failings by SAPAT which meant that in some cases there was insufficient attention paid to the amount of monies accumulated in people's accounts leading to incorrect financial assessments and incorrect payments of relevant benefits. The failings of the review were set out in paragraph 3 of the report and the results of the findings were detailed in Appendix 1.

Karen Johnson, Assistant Director of Communities, Gill Scrimshaw, Programme Manager, Improvement Team, Safeguarding Adults Personal Assets Team (SAPAT) and Tony Sanderson, Project Manager, Adults and Communities were in attendance and responded to Members questions and concerns on this matter.

Karen Johnson reported that she had taken over the service when the Assistant Director went on secondment. Members were informed that better systems were now in place to address the areas of concern. It was noted that there had since been a significant number of families now taking responsibility to manage their relative's affairs, rather than the Council taking on this role. A lot of training had been undertaken with the financial assessment team to ensure that the SAPAT service understood the processes and the benefits criteria. All cases had now been reviewed to ensure that service users were claiming the correct benefits and were being paid the appropriate monies. It was reported that good progress had been made to date, however further work was required in relation to families and wealthy clients.

At this point of the meeting, in order to enable the Committee to consider the contents of Appendix 1 to the report, which contained exempt information, it was:-

RESOLVED that the public and press be excluded from the meeting in accordance with Section 100(A)(4) of the Local Government Act, 1972, as amended, on the grounds that exempt information within Paragraph 3 (Information relating to the financial or business affairs of any particular person, including the Authority holding that information) of Schedule 12 A to the Act may be disclosed upon consideration of Appendix 1 to the report.

The Committee discussed the exempt information contained within Appendix 1, and Officers responded to questions from Members.

Members acknowledged the corrective action and improvements being made to the service to address the areas of concern, including regular reporting to the Health and Wellbeing Improvement Board to minimise the likelihood of this happening in the future.

The Committee requested that when Internal Audit had completed its Review of the SAPAT service, the final report would be considered by this Committee.

Following consideration of the exempt appendix, the meeting re-opened to the public and press in order to consider the final outcome of the report.

RESOLVED

- (1) to note the progress of the audit review, the issues within SAPAT and the progress made to ensure that the team and its associated processes and procedures are fit for purpose going forward; and
- (2) that following the completion of Internal Audit's review, a report be brought back to the Committee.

CHAIR: _____

DATE: _____

17th November, 2016

To the Chair and Members of the AUDIT COMMITTEE

AUDIT COMMITTEE ACTIONS LOG

EXECUTIVE SUMMARY

1. The Committee is asked to consider the Audit Committee Actions Log which updates members on actions agreed during its Audit Committee meetings. It allows members to monitor progress against these actions, ensuring satisfactory progress is being made.

EXEMPT REPORT

2. The report does not contain exempt information.

RECOMMENDATIONS

3. The Committee is asked to;
 - **Note the progress being made against the actions agreed at the previous committee meetings and**
 - **Confirm if further information / updates are required.**

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. Regular review of the actions agreed from the Audit Committee meetings enables the Committee to ensure it delivers against its terms of reference and is responding to important issues for citizens and the borough. The action plan update helps support openness, transparency and accountability as it summarises agreed actions from reports and issues considered by the Audit Committee.

BACKGROUND

5. A member of the Audit Committee raised the issue of the difficulty in tracking actions agreed from previous Audit Committee meetings and this resulted in the production of the Audit Committee Issues Log which is a document updated for each Audit Committee meeting, documenting all actions agreed during previous meetings that have not been fully completed. Items that have been fully completed since the previous Audit Committee meeting are documented as such on the report and then removed for the following meeting log.

6. Of the actions identified in the report, the majority are classified as “green”, either having been fully addressed and for removal from the following log or because arrangements are in hand and the actions is not yet due. There are, however, two “red” actions relating to procurement breaches. Further information is available on these items on the Financial and Purchasing and Contract Procedure Rules report within the November meeting.

OPTIONS CONSIDERED AND RECOMMENDED OPTION

7. There are no specific options to consider within this report as it provides an opportunity for the Committee to review and consider progress made against ongoing actions raised during previous Audit Committee meetings.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

8.

	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>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> 	

	Council services are modern and value for money.	Effective oversight through the Audit Committee adds value to the Council operations in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough
	Working with our partners we will provide strong leadership and governance.	The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.

RISKS AND ASSUMPTIONS

9. The Audit Committee contributes to the effective management of risks in relation to audit activity, accounts / financial management risk management and other governance / regulatory matters.

LEGAL IMPLICATIONS

10. There are no specific legal implications associated with this report

FINANCIAL IMPLICATIONS

11. There are no specific financial implications associated with this report.

HUMAN RESOURCES IMPLICATIONS

12. There are no specific human resources issues associated with this report.

TECHNOLOGY IMPLICATIONS

13. There are no specific technological implications resources issues associated with this report.

EQUALITY IMPLICATIONS

14. We are aware of the Council's obligations under the Public Sector Equalities Duties and there are no identified equal opportunity issues within this report..

CONSULTATION

15. The Audit Committee Action Log has been produced following consultation with members of the Audit Committee to address the risk of agreed actions not being implemented.

BACKGROUND PAPERS

16. None

REPORT AUTHOR & CONTRIBUTORS

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Steve Mawson
Chief Financial Officer &
Assistant Director of Finance

AUDIT COMMITTEE ACTION LOG – September 2016

Follow-up actions from previous meetings:-

Ref:	Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Meeting August 2016				
Annual Governance Statement				
15 a	Provide mid-year update on key improvement areas in the Annual Governance Statement at the Committee's meeting in January 2017.	Scheduled for January 2017 Audit Committee	Steve Mawson	No – not yet due
15 b	Provide report on Fraud Plan and Fraud Risk Register at the November Audit Committee	Scheduled for November 2016 Audit Committee	Colin Earl	Yes - Report provided to November audit committee
15 c	Income Management – update report to be brought to a future Audit Committee – date to be confirmed	Scheduled for January 2017 Audit Committee	Steve Mawson	No – not yet due
Annual Fraud Report 2015/16				
17	A briefing on Fraud prevention activity be presented to a future pre-meeting training session, including how the transfer of the service had impacted on the Revenues and Benefits team	Scheduled for January 2017 pre-meeting training session	Geraldine Morton	No – not yet due
Strategic Risk Report Mapping				
18	Provide a report for the committee to carry out 'deep dive' reviews on and attain a more in-depth picture of how the following nominated strategic risks were managed reviewed and reported:-			
18 a	SRO2 - (Adults, Health and Wellbeing Directorate); – to be considered at the meeting scheduled on 17th November, 2016.	Scheduled for November 2016 Audit Committee	Kim Curry	Yes - Report provided to November audit committee

Ref:	Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
18 b	SR03, SR08 (Finance and Corporate Services Directorate) - and SR013 (Learning and Opportunities, Children and Young Peoples Service Directorate); – to be considered at the meeting scheduled on 25th January, 2017.	Scheduled for January 2017 Audit Committee	Steve Mawson	No – not yet due
18 c	SR09, SR10 and SR14 – (Learning and Opportunities, Children and Young Peoples Service Directorate) - to be considered at the meeting scheduled on 6th April, 2017.	Scheduled for April 2017 Audit Committee	Damian Allen	No – not yet due
Adults, Health And Wellbeing - Learning Disability/Supporting Living Review - Update Report				
20	Provide a more detailed report to a future meeting, providing;- - a breakdown of the numbers of those service users eligible for CHC funding who were not claiming it; - those that may be eligible to pay towards the support they are receiving - what amount of supported living allowance they were receiving; and - the arrangements now in place to avoid a significant backlog happening in the future.	Scheduled for November 2016 Audit Committee	Pat Higgs	Yes - Report provided to November audit committee
Safeguarding Adults Personal Assets Team - Responsive Review				
21	Provide a report to Committee upon finalisation of Internal Audit's work	Audit Review still ongoing	Colin Earl	No – not yet due

Meeting April 2016				
Financial and Purchasing and Contract Procedure Rules				
49 a	Older Peoples Alarm System – the report would be processed through Directors and Leadership Team and a further update be provided in the next audit committee report.	Adult, Health and Wellbeing departmental management team will consider proposals at the end of November 2016 as to how to rectify the situation	Jon Tomlinson	No - Ongoing
49 b	Solar Centre – Individual reviews taking place. Update to be provided in the next audit committee report.	Doncaster Council, RDASH and the CCG are in discussions to develop models for clients which will resolve the situation	Jon Tomlinson	No – Ongoing
Covert Surveillance – Regulation of Investigatory Powers Act 2000 (RIPA) Update				
51	More detail to be added in relation to the number of premises visited.	To be done in next Committee report (due Autumn 2016)	Helen Potts	Yes – covered within November committee report
51&52	Suggested action that Members of the Committee carry out a visit to the Trading Standards office which had proved useful in the past.	Date to be arranged. HP has contacted chair.	Helen Potts	Yes – completed at pre – meeting training prior to November audit committee
51	Refresher training to be provided in 12 months time.	To be arranged for April 2017.	Helen Potts	No – not yet due
51	Members to be informed of future inspections prior to arrival.	Will ensure this occurs.	Helen Potts	No – not yet due

Quarter 3 2015/16 Strategic Risk Register Update				
52	Public Health are currently having an annual review of their processes. Further elements such as life expectancy will be flagged up with the report author for future reference.	This issue will be raised at the next review of the register	Sennette Wroot	Yes - No further strategic risk has come out of this review .
Meeting January 2016				
Adult, Health and Wellbeing – Overpayment of Direct Payments				
	A further update report be brought to November Audit Committee	Will ensure this occurs	Pat Higgs	Yes - Update report provided to November audit committee
Data Quality and Information Management Update				
	A further update report be brought to November Audit Committee	Will ensure this occurs	Julie Grant	Yes - Update report provided to November audit committee

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

STRATEGIC RISK MANAGEMENT IN ADULTS HEALTH AND WELLBEING

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Glyn Jones	None	No

EXECUTIVE SUMMARY

1. This report sets out the way in which the Adults Health and Wellbeing (AHWb) directorate manages strategic risks, as requested at the Audit Committee meeting in August 2016. It details the grip the directorate has on its 2 specific strategic risks and the variety of ways in which the key components of the risks are focussed upon.
2. Strategic risks are managed more rigorously and transparently than ever before. They are linked directly to AHWb strategic plans and managed in line with the governance and reporting arrangements of those plans. This includes reporting to internal leadership meetings and Elected Member groups and externally to public meetings and independent boards.
3. The AHWb Leadership Team has confidence that risks are robustly managed and challenged using the processes outlined in this report. The team also accepts that improvement to current arrangements is always possible and therefore external help and review is routinely considered to make sure that best practice is implemented. .

EXEMPT REPORT

4. Not exempt

RECOMMENDATIONS

5. That Audit Committee note and comment on the management of AHWb strategic risks.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. Although this report in itself has no implications for the people of Doncaster, the management of strategic risks is important in ensuring that the Council's priorities are delivered.
7. This report concentrates on the 2 key AHWb strategic risks and effective management of these risks will contribute towards ensuring that individuals are kept safe and that services are modern and provide value for money.

BACKGROUND

8. At the Audit Committee meeting on 17th August 2016, Members considered a report that listed the Council's strategic risks and highlighted the reports that were scheduled to be produced during the year for each of the risks, as set out in Appendix A of that report. Members were asked to nominate the strategic risks the committee wished to carry out 'deep-dive' reviews into.
9. This is the first 'deep-dive' report into the requested strategic risk (SR02), based on the criteria of the overall risk score being greater than 10 as at quarter 1 2016. However, the directorate considers it better governance to report on management arrangements for the 2 directorate strategic risks (SR01 and SR02) irrespective of the risk score. The 2 strategic risks included within this report are therefore:
 - SR01 - The agreed standards and policies are not adequately understood and implemented by practitioners who work with vulnerable adults increasing the risk of vulnerable people experiencing harm or abuse (current score, impact 5 *critical*, likelihood 2 *unlikely*).
 - SR02 - Health and social care services do not change fast enough , impacting on quality, accessibility and affordability of services for people who need them most (current score, impact 5 *critical*, likelihood 3 possible).

RISK MANAGEMENT ARRANGEMENTS

10. Governance arrangements for the AHWb strategic risks are detailed in Appendix A attached to this report.
11. Strategic risk **SR01** relates mainly to adults safeguarding procedures. In November 2015, the Council requested the Yorkshire and Humber Association branch of Directors of Adults Social Services to undertake a peer review of Doncaster's safeguarding arrangements. This review has informed and shaped the way that safeguarding risks are managed by the Council and its partners through the Doncaster Safeguarding Adults Board.
12. As a result of the peer review, a comprehensive action plan was put in place, containing a range of activities that contributed significantly towards managing the strategic risk. This action plan is strictly managed by the directorate's senior managers and progress is on track against agreed targets.
13. The peer review action plan is supported by a focussed operational risk register that is managed by a range of risk owners and is regularly reported to the Council's leadership and to external partners.
14. Specific reports relating to SR01 are presented at the AHWb Leadership meeting and the AHWb Improvement Board on a 6 weekly basis. Similar reports are also presented to the Doncaster Adults Safeguarding Board each quarter during the year.
15. Actions completed include the implementation of a new Safeguarding Adults Hub and the development of a new performance management framework.
16. A further independent quality assurance review was undertaken in September 2016, with positive feedback on progress made so far and some further more recent areas of national policy to consider.
17. Strategic risk **SR02** concerns the transformation of AHWb services, both to

modernise and improve support and to ensure that resources can be focussed on those most in need. Details of this Transformation Programme have previously been reported to the Mayor and Cabinet and 7 projects to instigate the improvements are being mobilised.

18. This risk was originated during the 2014/15 financial year when progress on critical change was too slow. In the last year, new leadership has brought in rigorous and robust programme, financial and resource management to deliver both transformation and significant and sustained improvement in business as usual. Risk management will now be focussed upon the transformation plans over the next 5 years.
19. Proactive work has been undertaken on a range of recently developed transformation projects. This has resulted in an initial risk register that will make sure that projects start off on the right footing and are developed further as the programme progresses.
20. In line with previous arrangements, the risk register will be managed by project leads and will be reported by the Programme Management Office to the Council's leadership, including Elected Members. Reports will be planned into the schedules of AHWb leadership, Directors, AHWb Improvement Board, Cabinet, OSMC and Audit Committee and mitigating actions will be built into relevant plans.
21. Reports relating to SR02 are managed by individual transformation project owners and relate to the various projects within the programme. Over the past year work has concentrated on "Immediate Business Improvement" projects. Risk reports have been produced on a regular basis, presented to the AHWb Leadership Team and then considered and challenged at the independent AHWb Improvement Board, which is chaired by the Chief Executive with the Deputy Mayor in attendance.
22. In addition to the arrangements set out above that are specific to each individual risk, there is a range of generic management procedures that are common to both risks. These procedures can be summarised as follows;
 - Strategic risks are monitored on Covalent, adhering to the requirements of the Council's Risk Management Policy;
 - There is a risk focus at monthly AHWb leadership performance sessions;
 - Quarterly strategic risk management is undertaken as part of the corporate performance management framework;
 - Risks are a standing item on the AHWb Governance Group agenda;
 - Staff performance is managed via the Council's Performance and Development Review (PDR) process. This ensures effective management of performance that contributes to risk mitigation.
23. Each strategic risk is also underpinned by an operational risk register that contains more detailed working risks. This facilitates easier and more effective management by the range of individuals, teams, groups and boards that are linked to the respective programmes of work.
24. The AHWb Leadership Team has committed to review the 2 strategic risks as part of the quarter 3 challenge cycle. The 2 risks were initiated more than a year ago, when progress on safeguarding and transformational change was not at the level that the Council required. Since then, significant headway has been made which now requires a different emphasis for the risks. It is anticipated that this

work will be completed in time to form part of the quarter 3 risk report to Audit Committee. There is also commitment to ensure that strategic risks are specifically referenced within staff PDR agreements.

OPTIONS CONSIDERED

25. Not applicable

REASONS FOR RECOMMENDED OPTION

26. Not applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

27.

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <p><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>	<p>No implications for this particular report, but: Management of SR02 strategic risk will contribute to the local economy and help to protect Doncaster's vital services.</p>
	<p>People live safe, healthy, active and independent lives.</p> <p><i>Mayoral Priority: Safeguarding our Communities</i> <i>Mayoral Priority: Bringing down the cost of living</i></p>	<p>No implications for this particular report, but: Management of the SR01 strategic risk does contribute to ensuring that vulnerable adults are kept safe: Management of SR02 strategic risk will help to modernise services and contribute to the wellbeing and independence of individuals and communities.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <p><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>	<p>No implications for this particular report, but: Management of SR02 strategic risk will contribute to safeguarding communities.</p>
	<p>All families thrive.</p> <p><i>Mayoral Priority: Protecting Doncaster's vital services</i></p>	<p>No implications for this particular report, but: Management of SR02 strategic risk will contribute to thriving</p>

		families and help to protect Doncaster's vital services.
	Council services are modern and value for money.	No implications for this particular report, but: Management of SR02 strategic risk will contribute to increasing the value for money of Council services.
	Working with our partners we will provide strong leadership and governance.	No implications for this particular report, but: Management of both risks will contribute to effective partnership working and stronger leadership.

RISKS AND ASSUMPTIONS

28. No assumptions made. Risks are contained within the body of the report and the appendix.

LEGAL IMPLICATIONS

29. There are no legal implications as a result of this report.

FINANCIAL IMPLICATIONS

30. There are no financial implications as a result of this report.

HUMAN RESOURCES IMPLICATIONS

31. There are no human resources implications as a result of this report.

TECHNOLOGY IMPLICATIONS

32. There are no technology implications as a result of this report.

EQUALITY IMPLICATIONS

33. There are no equality implications as a result of this report.

CONSULTATION

34. No consultation has been undertaken or is required as a result of this report.

BACKGROUND PAPERS

35. Audit Committee agenda and papers 17th August 2016

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Director of Adults Health and Wellbeing

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Strategic Risk	Management arrangements	Timelines	Notes
SR01 & SR02	Monitored and reviewed via Covalent in line with Risk Management Policy	Current score of 10 requires quarterly monitoring	Risk owners review risk scores and update commentary in Covalent, which can be accessed by senior staff and Elected Members.
SR01 & SR02	PDRs and one to one meetings and documentation (staff performance management)	PDR - 6 monthly and annual review. One to one meetings – monthly.	Agreed individual PDR targets include performance management responsibilities that contribute to managing risks. Regularly monitored by senior management.
SR01 & SR02	AHWB DLT performance sessions	Monthly	The Director of AHWB has arranged new monthly DLT performance management challenge sessions. Strategic risks are a key part of the challenge and are discussed alongside associated performance data.
SR01 & SR02	Quarterly corporate performance challenge	Quarterly as per the agreed corporate schedule	Reported in public after challenge at a range of meetings involving officers and members, including AHWB DLT, Directors, Executive Board, Cabinet, OSMC and Audit Committee.
SR01	LGA safeguarding peer review and subsequent independent progress review.	One off reviews	The specific strategic risk detail was considered as part of this review and will be included in future reviews.
SR01	Doncaster Safeguarding Adults Board risk register	On-going	Individual operational risks linked to the strategic risk are regularly reviewed by the relevant sub-group and exceptions are escalated to the Doncaster Safeguarding Adults Board.
SR01	Safeguarding adults LGA peer review action plan	Adults Improvement Board every 6 weeks. Doncaster Safeguarding Adults Board quarterly.	The action plan contains the mitigating actions to reduce the impact and likelihood of the SR01 risk. It sits alongside the Safeguarding Board risk register.

Strategic Risk Management Arrangements

Appendix A

SR01 & SR02	Strategic risk report AHWb Governance Group	Quarterly	Standing agenda item for the AHWb Governance Group. Next meeting 10/1/17.
SR02	AHWb Transformation Programme risk register	Every 6 weeks	Operational risks linked to transformation projects and to the overall SR02 strategic risk are reviewed and reported to AHWb Leadership Team and then to the independent AHWb Improvement Board.
SR02	AHWB Transformation Programme progress reports	As required through the year (last Cabinet report 22/3/16)	SR02 strategic risk is reviewed and fully considered as part of these public reports.

To the Chair and Members of Audit Committee

ADULTS, HEALTH AND WELLBEING AUDIT RECOMMENDATIONS PROGRESS REPORT IN RELATION TO DIRECT PAYMENTS

EXECUTIVE SUMMARY

1. Audit Committee at its meeting in June 2016 noted the current progress being made in relation to the outstanding actions relating to Direct Payment and asked for a further update to be given at their meeting in November 2016.
2. This report provides a further update on the completion of recommendations and those that are still outstanding as at 31st October 2016.
3. Progress has been made in reducing the number of outstanding recommendations since the last meeting in June 2016 and there are now 11 actions still outstanding, some from the initial audit, some from a later review.
4. Since the Audit Committee Meeting in June 2016, 13 individual actions have been marked as implemented (5 major risk and 8 significant risk). Of the 11 actions still outstanding (3 major risk and 8 significant risk) all are progressing and many nearing completion as described in the body of the report.

RECOMMENDATIONS

5. Audit Committee is asked to:
 - a) Note the update on current Audit recommendations outstanding.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. Audits and subsequent improvement plans are designed to improve services, make them more efficient and effective and identify issues with processes that could cause reputational and financial damage to the authority. By delivering the audit recommendations, the interactions between the authority and citizens should be a more positive experience, work will be progressed more quickly which will mean that individuals will achieve their outcomes much more quickly and the potential for them receiving confusing or conflicting information will be greatly reduced.
7. The improvements as a result of the audit recommendations on Direct Payment means that risks associated with this have been reduced whilst at the same time efficiencies to processing means that people are paid promptly. The recovery of outstanding money, as a result of overpayment of Direct

Payment reduces the financial risk to the council, with changes in the arrangements for future payments reducing this risk of non-collection even further, to ensure best use of the public purse for the people of Doncaster.

BACKGROUND

Historical findings and challenges

8. The initial audit in 2014, found that there were significant issues regarding the whole process with regard to Direct Payments (DP), these were in process, practice, recording and in the number of people in receipt of DP, who owed money to the council as a result of overpayment, but had not been pursued to recover this.
9. Some of the problems lay with the lack of a clear and up to date Direct Payment policy, from which would be produced a revised Direct Payment agreement. This agreement would provide clarity to both the person receiving a DP, and the council in monitoring the use of a DP and, if required, the recovery of monies owed.
10. The recording difficulties on Care First, and use of separate systems were also highlighted in the audit recommendations for improvement. These increased the risk of duplication and error of records.
11. Payments of DP was a major issue, resulting long delays into the system to actually pay the DP; combined with a major backlog of reviews of expenditure, that resulted in significant sums of money potentially due to be returned to the council.

Response to recommendations

12. Audit Committee have already received previous reports on progress with regard to implementing these recommendations, but in summary actions have been taken across the council to improve process, practice and improve the recovery of any overpayments, or money due to the council.
13. Reviews of expenditure of individual DP has taken place, and continues, resulting in the recovery of significant sums of money of overpaid DP owed to the council.
14. In respect of payments, new procedures and systems including pre-paid cards introduced, to ensure money is paid promptly and efficiently to people in receipt of DP. Individual cases are reviewed and any monies owed recovered more promptly.
15. A new Direct Payment policy is being drafted and expected to be agreed in December 2017, together with a new Direct Payment agreement to help in managing finances and processes for a person receiving a DP.
16. Work continues on other outstanding recommendations to improve the whole process of DP, for the individual user and the council and updates are

provided at Appendix 1.

IMPROVEMENTS

Audit actions

17. The table below gives a brief overview of the progress made and the current position on the completion of recommendations and those that are still outstanding as at 31st October 2016.

Progress on the 2 Direct Payment Improvement Plans							
Risk Level	2014 Improvement Plan			2016 Improvement Plan			Current Overall Total
	Original	Jun 16	Oct 16	Original	Jun 16	Oct 16	
Major Risk	2	0	0	8	7	3	3
Significant Risk	15	5	4	14	11	4	8
Moderate Risk	0	0	0	2	1	0	0
Total	17	5	4	24	19	7	11

18. Progress has been made in reducing the number of outstanding recommendations since the last meeting in June 2016 and there are now 11 actions still outstanding.
19. Since the last Audit Committee Meeting in June 2016, 13 individual actions have been marked as implemented (5 major risk and 8 significant risk).
20. Of the 11 actions still outstanding (3 major risk and 8 significant risk) all are progressing and many are nearing completion. Appendix 1 of this report shows the current status in more detail.

System impacts

21. The impact of the actions as a result of the audit means that people receiving a DP are now paid promptly, as the process has been improved. Reviews of existing cases is done more regularly to reduce the risk of overpayment and recovery of monies owed. There is improved financial control over the payments made and money reversed.
22. Work on a single system within the Care First non-residential project will improve the recording and reduce the risk of duplication and error significantly, as all information will be held within one system.

Future plans and resilience

23. The implementation of the audit actions will reduce the risks to procedures not being followed and the financial risk to non-recovery of overpayments. In addition, the uptake in DP is also a significant action for Adults Health and Well-Being, with a separate action plan focussing on that in place, aligned to an immediate business improvement project.

24. To improve governance arrangements, the management of the overall project has been taken by the Interim Head of Assessment and Care Management, with key leads from across the council, representing services to support the take up, and improvements of DP. This project group will have oversight of this piece of work across all areas, particularly care management to ensure the offer and support to establish a DP are provided in a positive and empowering manner, to give greater choice and control to the person.
25. Some of the actions from this project are aligned to the audit recommendations; others are about improving professional practice and process. As such on an operational level, team and individual targets have been established, together with improvements in information and performance management. This helps identify areas for improvement, good practice examples and ways that the service can demonstrate evidence of DP take up.
26. Training is being established to ensure staff are fully aware of how to promote this option to individuals, together with the clarity on what a DP is and the real benefits it can bring to a person. Professional practice is being reinforced with front line staff to ensure they work with the person using the individual's strengths, to understand what they can do and how DP can support them to achieve their outcomes.
27. Information and advice for individuals is also being reviewed to be sure the wider awareness of DP is known to the public, so they can see the benefits of this option.
28. Payments and business process have already been refined and improved, to avoid delays in financial transactions, but the Care First non-residential project will provide further improvements.

Further improvements

29. Work on implementing the audit recommendations has seen some positive progress in areas of risk.
30. Revised processes have established much tighter control over the financial arrangements of services users associated with DP. In addition, with a new Direct Payment agreement being introduced this will make responsibilities for a DP clearer for all parties. We have set targets for all teams in the performance for delivery of direct payments. We have revised the policy and guidance for direct payments and are now seeking final approval and sign off for the end of December 2016.
31. Colleagues in Commissioning are looking externally at the current providers of support to services users of DP to ensure we have the capacity right given the demands placed upon the service. Money management, advice, support and other help is often seen as challenges to improve the take up of a DP with service users.

32. There is a focus on overall improvement of all aspects of service delivery in this area given it is fundamental to our work on transforming people's lives, and empowering them to make choices, about their service.
33. The project group meet regularly to maintain momentum and make the required tactical changes that are needed to significantly improve performance and quality in the delivery of DP. This group will also oversee the delivery and completion of the outstanding audit actions reported within.
34. This group will report and be held accountable through the immediate business improvement project governance arrangements.

IMPACT ON THE COUNCIL'S KEY PRIORITIES

35. Monitoring and implementing Internal Audit's recommendations is therefore relevant to all priorities but in particular the following:

	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>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>The use of DP to meet an individual's care and support needs will ensure they are given choice and control to live independent lives, together with being compliant with the Care Act</p>
	<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> 	
	Council services are modern and value for money.	By implementing the actions outlined to address the issues identified will ensure the best use of the financial resources available is achieved.
	Working with our partners we will provide strong leadership and governance.	Working in partnership with external providers and the third sector, will deliver a modern and effective service to people.

RISKS AND ASSUMPTIONS

36. The implementation of audit recommendations is a response to identified risks and hence is an effective risk management action. This work aligned to other service changes will address the risks and will deliver a service that is modern, cost effective and personalised to the individual using a variety of options.

LEGAL IMPLICATIONS

37. Part of the process is to identify issues that could expose the council to litigation, therefore by delivering the recommended improvements there is a reduced risk and greater confidence that processes are compliant and less likely to be subject to legal challenge.

FINANCIAL IMPLICATIONS

38. There are no identified direct financial implications arising from this report.

HUMAN RESOURCES IMPLICATIONS

39. There are no identified human resource implications arising from this report.

TECHNOLOGY IMPLICATIONS

40. There are no identified human resource implications arising from this report.

EQUALITY IMPLICATIONS

41. We are aware of the Council's obligations under the Public Sector Equalities Duties and there are no identified equal opportunities issues within this report.

CONSULTATION

42. There have been a number of meetings between the Directorate and internal Audit.

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

Procurement	x	Crime & Disorder	
Human Resources		Human Rights & Equalities	x
Buildings, Land and Occupiers		Environment & Sustainability	
ICT	x	Capital Programme	
Directorate Strategies and Policies	x	The Care Act 2014	x

BACKGROUND PAPERS

44. Internal Audit Reports

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OUTSTANDING ACTIONS FROM THE 2014 AND 2016 AUDITS OF DIRECT PAYMENTS AND PERSONAL BUDGETS

Action	Owner	Risk	Comments
Backlog of Reviews	MH	Major	Reviews Rag Rated for financial risk, high cost packages brought forward, low cost deferred, and resources are in place to ensure all reviews are completed by the end of the financial year. Deadline extended to (April 2017) to enable this to be achieved.
Feedback Loop for Lessons Learned	MH	Major	There is now a clear link between finance and ASC meaning that budgetary issues are identified more quickly enabling quick action to address them. The process needs to be firmed up and documented now. This will need to be in the policy and guidance. Discussions will take place with Howard Monk to progress this and will be discussed at weekly Direct Payment Key Stakeholder meetings to track progress so change and support delivered. (December 2016)
Money Management Companies	PH	Major	Awaiting a copy of CPR waiver pending the service going out to tender in the near future. (December 2016)
Revised DP Agreement	MH	Significant	The revised DP agreement has been written and Senior Management have requested a few amendments, once agreed at this level it will be signed off by the portfolio holder at which point it will be implemented (December 2016)
DP Agreements – Authorised Support	MH	Significant	This is now in the revised DP agreement (paragraph 11) and has been agreed by Senior Management, therefore once the overarching document has been approved this will be implemented (December 2016)
No DP Audit Info on Care First	MH	Significant	The documents are prepared and a request for it to be put on CF has been requested, but it is currently in a queue and is not the highest priority at this time.(April 2017)
DP Account Charges	PH	Significant	The AD is in the process of writing an ODR which will address this

			action.(November 2016)
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NB. MH = Mark Howe and PH = Pat Higgs

Action	Owner	Risk	Comments
Quality Assurance programme and checks for social care	MH	Significant	Spot checks are now being undertaken on a monthly basis and have been included on the Casefile Checklist for anyone who takes up a direct payment. This was originally piloted with the Reviewing team and is now being rolled out to all other teams. Feedback on progress to be monitored by the Steering Group.(March 2017)
Financial Assessments	MH	Significant	Now in Paragraph 1, Section 5 of the Direct Payment agreement and has been agreed by Senior Management, other amendments to the overarching document have been requested and once these have been approved will be signed off by the Portfolio Holder which is anticipated to be before Christmas at which point it will be implemented.(December 2016)
Procedures	MH	Significant	A flow chart has been circulated for comment includes ownership at each stage of the process once agreed the action will be fully implemented and coordinated through the DP steering group (December 2016)
Direct Payments Agreements	MH	Significant	This is now in Appendix 5 of guidance in relation to annual reviews and has been agreed by Senior Management, other amendments to the overarching document have been requested and once these have been approved will be signed off by the Portfolio Holder which is anticipated to be before Christmas mas at which point it will be implemented.(December 2016)

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17 November 2016

To the Chair and Members of Audit Committee

ADULTS, HEALTH AND WELLBEING - LEARNING DISABILITY/SUPPORTED LIVING REVIEW

EXECUTIVE SUMMARY

1. As a result of the Annual Governance Report which identified issues with care and support reviews for individuals with a learning disability, that increased the risk that some may not have had a financial assessment or Continuing Health Care (CHC) assessment. A report was submitted to the Audit Committee in August 2016. This report outlined progress of a 12 month project that undertook to review 267 individuals, with learning disabilities residing within supported living. Following consideration of this a further update was requested for the November Audit Committee, and this report addresses this requirement.
2. The purpose of the report is to confirm that all 267 individuals have had a financial assessment and are now contributing to their care where appropriate; and to provide an update on other issues raised by the Committee.
3. Assessments have identified that in a small number of cases, where we know an individual has identified primary health care needs an appropriate CHC assessment has been undertaken, and appropriate funding is now supporting that package of care. This report does however highlight a current gap in some of this information, which is being addressed through an immediate business improvement project.

RECOMMENDATIONS

4. Audit Committee is asked to:
 - a) Note the update and progress made on the Supported Living Review for people with a Learning Disability.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. Doncaster Citizens with a learning disability will be better supported by having timely and effective reviews which will ensure that they get the support they need, contribute to their package appropriately and access the correct funding streams. They will have outcomes based reviews which takes account of their feelings and aspirations and is geared to enabling them to achieve the fullest level of independence possible.

6. This in turn will generate efficiency savings which can either be re-invested in new initiatives for this client group or used to provide better services and support for other members of the community.

BACKGROUND

Historical findings and challenges

7. In the 2015/2016 the Adults, Health and Wellbeing Annual Governance Statement identified that further improvement was required on reviews for those people with a learning disability in supported living. This issue had arisen from an earlier piece of work which identified that some of these individuals, had not had a regular review of their care and support needs. As a result of this, the council could not provide assurance that their needs were being met appropriately, or that they have been correctly financially assessed, so paying the right financial contribution towards their care.
8. This meant the risk for the council was also financial, as they may not be recovering the totals monies due to offset care and support costs.
9. There was a risk that some of the individuals in supported living services having not had an up to date care and support review may also be eligible for CHC funding but were not claiming it.

Response to recommendations

10. A 12 month review project was established in May 2015 with a scope of reviewing all individuals residing within supported living, totalling 267 individuals.
11. Additional funding was identified to resource a separate team dedicated to undertaking this work. The project worked with all those in scope, prioritising those who were not paying anything towards their care and support costs, who from a desktop analysis should have been, as they had sufficient income to contribute to their care, some to even pay the full cost.
12. The work with individuals was often a very complex process, with some people receiving supported living, in addition to day care and personal care, as well as tied into tenancy agreements and vehicle hire. Many also lacked capacity to make decisions about aspects of their lives, so advocates and other representations from families, were required in order to establish what was in the person's best interest to meet their care and support needs.
13. Once the reviews had established the correct care needed and was being provided, then the means tested financial assessment and charging arrangements were amended, to begin collecting the correct contribution.
14. The review was undertaken using a strengths based approach which seeks to enhance opportunities around independence, choice and control and maximise an individual's own assets. The scope of the review was also to

consider the requirements to make changes to the process for inputting data onto Care First to trigger a financial assessment and approve payments to the provider, through this single system.

IMPROVEMENTS

System impacts

15. The review project has delivered 267 social care reviews. All individuals in supported living have now had a financial assessment, and where appropriate and required, are now being supported to contribute their disposable income towards their care. There are an additional 47 reviews still pending, but these do not relate to supported living.

Future plans and resilience

16. To ensure that people in Supported Living are charged accordingly three operating systems are currently used which are all independent from each other. CareFirst which holds service agreements, Abacus which has financial details and financial management system for provider payment. All the systems rely on information being inputted manually by three separate service areas. This silo production of information increases the risk of error and miscalculation for the authority. This created a major challenge for the project and is to be addressed by the Care First data migration project, as part of the non-residential care work.
17. The planned date for the initial migration of all financial data for non-residential services onto Care First is during November 2016. The expected outcome of the project is that all services will be managed through CareFirst; a significant increase in recording and as such data quality and improved data reporting of financial information, e.g. ability to reconcile commitments to actual spend.
18. This work is underway and will ensure that the supported living data, currently held in various systems, is brought together, up-to-date and accurate. Following migration this data will be maintained by care management team. The services in scope of this project also include domiciliary care, extra care, shared lives as well as supported living.
19. There are other aspects arising from this work, including work with commissioners to ensure a wider service offer is available, together with reviewing the care of other people with a learning disability who receive services that is outside the scope of this particular project.

RESPONSE TO THE QUESTIONS RAISED BY THE AUDIT COMMITTEE

20. The following is a response to the questions raised by the Audit Committee in August 2016:

How many were not claiming CHC but are now?

21. Originally the relevant information was held on a standalone spreadsheet with manual data input and reliant on members of staff uploading information to CareFirst. As the data belongs to the CCG and therefore caution is advised in considering the historical data supplied. The process is now much more robust both in the uploading of data to CareFirst and in the fact that monthly CHC reports are sent by the CCG. The main focus of the work is to make sure things are accurate moving forward. The task of checking historical data is an extremely time-consuming, but work continues to be undertaken in this area.
22. In the previous report 267 individuals were highlighted as having been reviewed and it has now been identified that a CHC assessment has been undertaken for 69 of them. 62 were found to be ineligible and 7 went forward for a full NHS screening after which 2 gained 100% funding and 2 partial funding (25% and 30%).
23. The impact of any changes where a person receives funding for their care through a CHC assessment, is that they receive services to meet their primary health need free of charge and their costs are met by the CCG, this obviously has an impact on the cost implications for the council on the services provided.
24. Due to the manner in which data was collated previously which included a reliance on individual workers to upload CHC documentation to CareFirst and to also manually update the project spreadsheet, it has not at this time been possible to identify the CHC status of the remaining 198 individuals, however this is being addressed through scheduled annual reviews which are currently ongoing and will ultimately result in the CHC status of all 267 individuals being recorded accurately and CHC documentation completed where the person is considered eligible.

How many are eligible to pay for support?

25. All individuals have undergone a financial assessment, which means that anyone who has to pay for or contribute to the cost of their care and support has been identified, and is being charged correctly.
26. As a result of this exercise, it can be confirmed that there are only 33 of the 267 individuals who should not contribute toward the cost of their care due to the level of their disposable income.
27. For 185 individuals there was no change to their contributions as a result of this review.
28. The review identified that there were 82 individuals who were not contributing or were not contributing the appropriate amount, following the financial assessment they are now contributing accordingly.

29. The income generated through these financial assessments equates to an additional £3,468.21 per week contribution to the cost of their care and support.

The amount of support received?

30. In relation to the amount of support received, whilst Care First held assessment and support planning information, it did not contain the schedules of support; these were maintained manually in other systems. These schedules of support outline both shared and individual hours for each person within each supported housing scheme. In supported living environments, individuals often have shared support, for events such as going out, group events, together with individual support, often for personal care.
31. Using the information available it has been identified that 260 individuals (97%) did not have any changes to their shared hours post review, 5 (2%) individuals decreased shared support by 100% and 1 (1%) individual increased their shared support by 100%. by 100%.
32. When looking at individual hours 243 (92%) individuals had no change, 8 (3%) individuals had a reduction in the individual support hours and 16 (6%) individuals had their individual hours increased
33. The savings generated through this activity equate to approximately £359,821, attributable to both reductions in support hours and the securing of NHS funding.

What arrangements now in place to avoid a significant backlog happening in the future?

34. To avoid a similar instance occurring in future, learning disability service has been improving on practice, process and management of cases. There is now a robust review process embedded within the culture of the team which is supporting more effective forward planning of reviews and ensuring that each review is taken as an opportunity for a holistic oversight of someone's support needs using strengths based approach. Reviews of all individuals are ongoing as part of the statutory annual review process and once this is completed the current situation will be available for every individual and will be recorded appropriately on Care First to ensure that accurate data is more easily accessible.
35. In addition there are in place better mechanisms to monitor and report on performance. Weekly dashboards are produced, enabling team managers to analyse, scrutinise and plan for improvements as necessary.
36. Annual reviews are forward planned and allocated to ensure in a timely manner to ensure that capacity and resources are utilised in a more robust way. There is still a number of overdue annual reviews across the learning disability service (47 cases) not specific to supported living, however these

are being scoped in to ensure they are addressed within the next few months, alongside forthcoming reviews and day to day operational demands.

37. There is a business improvement project dedicated to continuing health care. This project has achieved significant improvements in the management of CHC, up skilling staff and ensuring more robust data management both on care first and from CCG. CHC data is now uploaded to care first and is also received on a monthly basis from the CCG. For all CHC activity undertaken since April 2016, this data is readily available.
38. Work to assess the historical data will continue to progress, either through further research of the data held or through future reviews of individuals.

IMPACT ON THE COUNCIL'S KEY PRIORITIES

39. Any improvement in the management of the risks will have a positive impact thereby increasing the likelihood of the Adults, Health and Wellbeing achieving its objectives and will ensure that the authority become Care Act Compliant in relation to this client groups' reviews. Efficiency savings will be made and support will be focussed on the needs and aspirations of the individual citizen.

	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>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>The regular reviews of an individual's care and support needs will ensure the individuals needs are met and they are given choice and control to live independent lives, together with being compliant with the Care Act</p>
	<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> 	

	<ul style="list-style-type: none"> • <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>By implementing the actions outlined to address the issues identified will ensure the best use of the financial resources available is achieved. Where appropriate the financial assessment will enable the recovery of income towards the cost of care packages.</p>
	<p>Working with our partners we will provide strong leadership and governance.</p>	<p>Working in partnership with external providers and the third sector, will deliver a modern and effective service to people.</p>

RISKS AND ASSUMPTIONS

40. The implementation of the review and subsequent action will address the risks and will deliver a service that is modern, cost effective and personalised to the individual using a variety of options.

LEGAL IMPLICATIONS

41. Part of the process is to identify issues that could expose the council to litigation, therefore by delivering the recommended improvements there is a reduced risk and greater confidence that processes are compliant and less likely to be subject to legal challenge.

FINANCIAL IMPLICATIONS

42. There are no identified direct financial implications arising from this report.

HUMAN RESOURCES IMPLICATIONS

43. There are no identified human resource implications arising from this report.

TECHNOLOGY IMPLICATIONS

44. There are no identified technology implications arising from this report.

EQUALITY IMPLICATIONS

45. The council are aware of their obligations under the Public Sector Equalities Duties and there are no identified equal opportunities issues within this report

CONSULTATION

46. Consultation with the people affected by the review, including those people using the service, their families and provider of services have been undertaken.

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

Procurement	x	Human Rights & Equalities	x
Human Resources		Environment & Sustainability	
Buildings, Land and Occupiers		Capital Programme	
ICT	x		
Directorate Strategies and Policies	x		

BACKGROUND PAPERS

48. Internal Audit Reports

REPORT AUTHOR & CONTRIBUTORS

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17th November 2016

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

**BREACHES AND WAIVERS TO THE COUNCIL FINANCIAL AND CONTRACT
PROCEDURE RULES**

EXECUTIVE SUMMARY

1. This Report provides Members with details of waivers and breaches to Finance and Contract Procedure Rules (C.P.R's) for the period 1st April 2016 to the end of October 2016.
2. The table below identifies the number of new waivers and breaches recorded by each Directorate since the last audit report presented in April 2016. The details of each waiver and breach are summarised in the appendices of this report.

Period 1st April 2016 to the end of 31st October 2016	Breaches	Waivers
Adults, Health & Wellbeing	5	7
Public Health	0	1
Learning & Opportunities: Children & Young People	0	7
Finance & Corporate Services	0	3
Council Wide Services	1	0
Regeneration & Environment	1	5
GRAND TOTAL	7	23

RECOMMENDATION

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

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

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

BACKGROUND

5. The Chief Financial Officer monitors compliance with (C.P.R.s) via an update from the Strategic Procurement team, detailing any reported waivers of C.P.R.s and instances of breach

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

6. The Council's C.P.R.s detail the following thresholds where commensurate competition should be undertaken by officers to ensure that value for money is being achieved:-
 - Up to £5,000 - use of an in-house supplier, Council wide contract, framework Agreement or direct award where possible to a Doncaster based organisation.
 - Between £5,000 and £25,000 – use of an in-house supplier, Council wide contract, framework Agreement or obtain three verbal quotes one of which must be from a Doncaster based organisation (a record of quotes is to be maintained);
 - Between £25,000 and £164,176 use of an in house supplier, Council wide contract, framework agreement or obtain three written quotes one of which must be from a Doncaster based organisation where the above is not available;
 - Over £164,176 use of an In-house supplier, Council wide contract, framework Agreement or carry out a formal tender process.
7. 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 Chief Financial Officer 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

8. 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.
9. 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.
10. An unprecedented number of breaches to CPR's have been reported this period (i.e. seven) as detailed in Appendix 1. As the majority of breaches are within AHWB a series of improvement actions have been implemented (see paragraph 17 and 18 below)

Update to Breaches previously reported

11. In April 2016, there were four new breaches of CPR's reported to Audit Committee as well as updates on five existing unresolved breaches.
12. From a total of 9, six have now been resolved, these are:-
 - White Rose SEN Framework – A new Agreement has been implemented
 - Sam and Sammie – The Council is no longer responsible for the procurement of Sam and Sammie project materials. This has now been taken up by the responsible schools.
 - Affinity Workforce – contract ended with the Council.
 - Consultants on Ltd company – contract ended with the Council.
 - Springwell Lane and Lanark Drive – this contract has now been transferred to the CCG.
 - Autism Family Practitioners – this service is now provided directly by the council.
13. There remains three outstanding unresolved breaches, as detailed below:-
 - Older Peoples alarm scheme with various suppliers – options are being considered within AHWB management team, but as yet the issue remains unresolved.
 - Solar Centre – A learning disability strategy for Doncaster involving ourselves, the CCG and RDASH is being developed which is being informed by the work done by Peopletoo and Ernst Young. The first meeting between key partners took place on 28 October. The proposal is to develop a robust community based model for Learning disability clients which will be ready to implement from 1 April 2017.

- Doncaster Mind & Changing Lives – A mental health service review has not progressed as anticipated. Adults now propose to require both service providers to work collaboratively and align with the direction of travel being taken in relation to Community Led Support. Funding is to continue to end of 17/18 and a procurement exercise will be undertaken to put a contract in place during that time.

Waivers to CPR's

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

Improvement Actions

16. The number of CPR Breaches / Waivers occurring within Adults, Health and Wellbeing directorate has resulted in Internal Audit working with the Directorate and the Strategic Procurement Team to identify improvements in the directorate's procurement and commissioning arrangements that will minimise the risk of breaches and waivers occurring in future. Included within this work is an assessment of contract / procurement information held within both the Adults Health and Wellbeing directorate and the Corporate Procurement Team.
17. Initial quick win improvements have been identified as below, whilst further detailed review work is scoped and agreed:
 - ✓ Strategic Procurement team working with Adults Health and Wellbeing, Commissioning have been identifying all contracts coming to an end within the next 12 to 18 months and for each they are seeking to identify; whether the contract should be re procured as is / whether work needs undertaking to produce a revised specification for the service or a similar service / or whether the service no longer fits within the direction of the transformation strategy, as appropriate. A plan will be created showing, for each contract, the anticipated outcome, appropriate responsibility / resource to meet the anticipated outcome and a timeline for each. **Current Status – The current status of each contract has been identified and an initial assessment of the way forward for the majority has been undertaken. This is expected to be completed by the end of November.**
 - ✓ Procurement and Legal Services are to deliver a training event for all appropriate officers within Adults Health and Wellbeing on CPR's and decision making processes including Officer Decision Records etc. **Current Status – The event is proposed to be held on 25th January 2017**
 - ✓ The Interim Assistant Director Modernisation and Commissioning is to meet with Internal Audit to identify any areas of work where it would be beneficial

for Internal Audit to undertake to identify further improvements in commissioning arrangements (e.g. contract monitoring arrangements, contract register effectiveness, commissioning strategy, decision making, specific contract reviews (including deliverables), risks to implementing the transformational plan or part thereof, adequacy of progress against the plan etc.). **Current Status – Scheduled January 2017**

REVIEW OF PROCUREMENT ARRANGEMENTS ABOVE £5,000

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.

BREACHES OF FINANCIAL PROCEDURE RULES

19. Council is currently investigating the report of a breach in its financial procedure rules in relation to the processes for additional payments to staff. An update on this matter will be provided at a future Audit Committee.

OPTIONS CONSIDERED

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

REASONS FOR RECOMMENDED OPTION

21. 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 OUTCOMES

22.

	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> 	
	People live safe, healthy, active	

	<p>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><i>Please see Appendix 1 for an explanation of each waiver.</i></p>
	<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

23. With regards to the ongoing review of commercial arrangements with suppliers the risks of breaches to 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

24. 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

25. 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.

HUMAN RESOURCE IMPLICATIONS

26. There are no specific human resource implications within this report, as each waiver or breach is considered on its own merits.

TECHNOLOGY IMPLICATIONS

27. There are no specific technology implications within this report, as each waiver or breach is considered on its own merits.

EQUALITY IMPLICATIONS

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

CONSULTATION

29. 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

30. None

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BREACHES

This appendix details the C.P.R. breaches that have been identified to the end of October 2016, together with a brief explanation of the reasons for the breach and their current status

Directorate & Responsible Officer	Contract Description	Annual Breach Value	Contract End Date	Reason for breach	Proposed action	Timescale for resolution
Adults, Health and Wellbeing	Managed Accounts – provided by the Rowan Organisation	£30,000 max	31/01/ 2014	<p>The previous contract expired.</p> <p>The tender of the Care and Support at Home Service (CCASH) was delayed resulting in the interim Managed Accounts service going into breach.</p>	<p>CPR waiver until February 2017 – this will enable transition to the new interim money management service</p> <p>Tender for an interim money management service as part of Phase 1 of the new model for Commissioned Care and Support at Home – the new service will be paid for from service users Direct Payment – this has been agreed by Assessment and Care Management.</p>	<p>CPR waiver in place to February 2017</p> <p>Tender for a new interim money management service</p>
Adults, Health and Wellbeing	Telecare Equipment	£168,952	End Dec 2014	<p>The telecare service originally procured it's equipment requirements through the former Government Procurement Service (formerly Buying Solutions) framework Agreement for telecare, telehealth and telecoaching. This framework enabled public sector organisations to purchase products and services from a range of suppliers. This framework Agreement expired at the end of 2014 and a decision was taken to join the National Housing</p>	<p>All contract documentation with NHC has now been signed up via an appropriate framework which provides the Council with a compliant route for all future procurement.</p> <p>No additional costs have been incurred for purchases made outside of the framework.</p>	Resolved

Directorate & Responsible Officer	Contract Description	Annual Breach Value	Contract End Date	Reason for breach	Proposed action	Timescale for resolution
				<p>Consortium (NHC) framework for Technology Enabled Care Services. As Doncaster Council were already members, we could access the framework.</p> <p>In May 16, it transpired that although Doncaster Council was under the impression it was purchasing through the NHC Framework, this wasn't the case and the Council had no contract drawn up with Tunstall Healthcare under the framework.</p>		
Adults, Health and Wellbeing	YMCA (Goodall House)	£170,000	26/06/16	<p>The contract has expired.</p> <p>The Council continues to support an accommodation service for homeless people. There was an agreement that there would be no change to current arrangements until the 16/17 year old protocol for homeless young people was implemented and the impact clearly understood.</p>	Pending the outcome of the 6 mth review of the protocol.	Pending the outcome of the review, following which any recommendations will be implemented.
Adults, Health and Wellbeing	Doncaster MIND - Morley Road supported accommodation service for people with mental health Issues	£68,392	10/10/16	<p>The contract has expired.</p> <p>This service was due to form part of a wider mental health review however, the review did not progress as anticipated and the contract went into breach.</p>	In the absence of a wider mental health review, the Council will undertake a service specific review involving service users and stakeholders. This will inform future commissioning intentions for 2017/18.	Service review to be completed by March 2017 following which a tender exercise will take place in early summer.
Adults, Health and Wellbeing	PD Resources Consultancy Ltd	£120,818	31/06/17	In October 2015, an Adult's Improvement Board was established to deliver service transformation with a rapid pace. The transformation programme required significant project lead	Interim appointment due to end June 2017	June 2017

Directorate & Responsible Officer	Contract Description	Annual Breach Value	Contract End Date	Reason for breach	Proposed action	Timescale for resolution
				expertise to deliver the necessary change whilst maximising efficiencies and leading a team of operational staff. As such an urgent appointment was required to lead on the transformation programme.		
Regeneration and Environment	AQUA MI system from Service Birmingham Ltd	£11,500	Unknown	It is identified that this contract may have lapsed due to restructure and change of service management.	A waiver has been put in place and an report submitted to the Information Governance Board to request approval to undertake a procurement exercise to implement a new system in 2017	To review and procure within 12 months.
Council Wide Services	Odgers Interim Management	£204,600	31/06/17	On 31 st December 2015 a senior member of staff left the Council. This resulted in a key post being left vacant. The Council was therefore required to take immediate and urgent action to source a suitable replacement, to fill the post whilst continuing to drive forward a transformation programme which was at a crucial point without a strategic leader.	Interim appointment due to end June 2017	June 2017

WAIVERS

This appendix details the C.P.R. waivers that have been agreed since the last report covering the period 1st April 2016 to the end of October 2016, together with a brief explanation of the reasons for the waiver. The proposed action will need to be concluded in advance of the expiry of the waiver end date to prevent the occurrence of a breach (i.e. unless it is proposed that the arrangements will end).

Directorate & waiver no	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
Adults, Health and Wellbeing CPR/16/03/0009	Managed Accounts	£30,000	February 2017	The contract with The Rowan organisation was originally put in place to support service users to manage their direct payments/personal budgets. The original contract ended in 2014 and has continued since then in breach.	A waiver was granted to directly award a contract to the Rowan Organisation (for up to 12 months) so that the managed account service could be continued.	Tender to secure a new money management service.
Adults Health and Wellbeing CPR/16/03/0007	Supported accommodation	£196,246	31/03/2017	The Council currently commissions a supported accommodation service within 'Doncaster Foyer' for young people who are experiencing homelessness. The short-term service provides an integrated supported accommodation and learning offer where young people are enabled to develop the necessary skills and confidence in all aspects of independent living. The 5-year contract expired on 31 March 2016.	A waiver was granted to extend the contract for a further year following a service review which identified that 16-18 year olds were accessing the service. The waiver was specifically allowed to enable joint work to take place between the Council and the Children Trust (CT) to determine whether a jointly funded contract would be put in place (following a tender exercise) or whether the individual agencies would commissioned their own service (ie for 16-18 year olds and separately for 18-25 year olds).	A new service will be tendered with a contract in place for the end of the extension period. A project plan will be developed immediately to ensure delivery.
Adults Health and Wellbeing CPR/16/04/0002	Netloan Pro	£20,847	09/07/2019	Lorensbergs provide support and maintenance of PC booking software Netloan which is used by the library service. The software controls how long	Due to the proprietary nature of the software, only the supplier Lorensbergs are able to provide the maintenance and support.	The Council will carry out a review of the current software and software market to ensure that the

Directorate & waiver no	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				the public are able to use the PCs for, tracks the use of the PCs and controls the facility for public printing.	The length of the waiver is in recognition that Doncaster Libraries currently own the Netloan software. Obtaining cover for 36 months will ensure that the price per annum remains at 2016 prices for the whole term of the 3 year contract.	software is still fit for purpose and to determine if there is a suitable replacement product available, if so a re-tender will be undertaken
Adults Health and Wellbeing CPR/16/04/0004	Outcomes Star' progress and impact management tool for family support work	£50,000	30 April 2020	<p>The Expanded Stronger Families Programme is the local implementation of the national Expanded Troubled Families programme. The aim of the programme is to transform services to be more whole family focussed and to improve impacts and outcomes.</p> <p>All services who work with families need to be able to evidence impact and outcomes and this works best when the family are included. The Outcomes Star is a tool that assists in this process.</p>	<p>The tool is owned by Triangle Consulting and so we can only purchase this from them.</p> <p>The tool is licensed and training is mandatory by the product owner as part of the licence agreement. The Licence is an annual renewal but the mandatory training is one off,</p>	The formal use of the tool with the stronger Family Team will be evaluated and decision will be taken as to whether or not to continue the current agreement prior to the expiry of the waiver.
Adults Health and Wellbeing CPR/16/06/0004	Household goods (e.g. furniture) and delivery services	£100,000	30 June 2020	The Stronger Families innovation fund allows quick and easy access to small amounts of funds to workers to support families in crisis. The fund can be used to purchase furniture where required. A local charitable organisation called 'Refurnish' is able to supply new and second hand furniture and other goods and services where needed at a good competitive price.	Waiver granted to directly award a contract to Refurnish to supply furniture and goods to the Stronger families programme to support families identified as being in crisis	To tender if required prior to the end of the waiver period.
Adults Health and Wellbeing – PUBLIC HEALTH CPR/16/05/0003	Provision of Public Health Service: Community Infection	£139,150	31/03/2018	Under the Health and Social Care Act (2012) local authorities have the responsibility to protect the health of their resident population. Part of this Health Protection function is Infection Prevention	Waiver granted to extend the current contract with RDASH to include provision of IPC specialist support in the community including support for care homes and	To engage with partners in Doncaster (Doncaster CCG, DBHFT, and RDASH) so as to develop a sustainable and efficient

Directorate & waiver no	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
	Prevention and Control			and Control (IPC). An existing contract with RDASH to provide community infection prevention and control ended on 31 March 2016. Following the end of the contract, it became clear that it was difficult to find providers who could provide the service; and the risks were greater without having a service in place. As a result, a decision to re-establish the service to the end March 2018.	domiciliary care providers,	long-term model for the delivery of IPC service beyond March 2018.
Adults Health and Wellbeing CPR/16/05/0005	Cabinet Office Commissioning Development Programme	£10,000	30/06/2017	The Commissioning Academy is a development programme for those responsible for transforming service delivery in all parts of the public sector, including central government, local authorities, health bodies and justice organisations. It has been carefully tested with and by senior commissioners and is designed to equip participants with the tools to tackle the challenges facing public services and commission the right outcomes for their communities. Five places have been purchased so that Managers in adult commissioning are able to attend this development programme.	There is one sole provider who is able to deliver the required solution.	One off funding
Adults Health and Wellbeing CPR/16/08/0003	Personal Assistant Peer Support Service	£13,000	31/10/18	The initial agreement for the Personal Assistant (PA) Peer Support service ended 31 st October 2016, The contract was established to work with and develop the PA market place. The service currently reports 264 subscribed to their monthly newsletter, around 80 contacts a month (May 2016) and 148 PAs	Waiver granted to extend the current contract with Active Independence to prevent a gap in service provision and allow further time to develop an overarching personalisation service which will support to employers and the PA market	Contract Award is week commencing 27th February 2017, with mobilisation for 1-2 months

Directorate & waiver no	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				registered on their register.		
Learning & Opportunities: Children and Young People CPR/16/03/0003	Review Education Commission	£60,000	03/01/2017	Doncaster expects to create new jobs in the coming years and has decided to bring in some independent experts to assess the existing system and its fitness for purpose, identify barriers, identify our local assets and come forward with recommendations on what can be done to make improvements to current arrangements. The review is planned to convene in March 2016 and expects to publish its final report in September 2016.	Waiver granted to directly award a contract to the Education Commission to undertake the review	One off funding
Learning & Opportunities: Children and Young People CPR/16/04/0005	Child and Adolescent Mental Health Services	£100,000	01/03/2019	RDASH (CAMHS) is the only existing provider of children's mental health services in Doncaster. The waiver is fund RDASH to deliver a work-force development programme to enhance the delivery of mental health services in schools and early help services.	Sole provider	Review and re-tender prior within the waiver period
Learning & Opportunities: Children and Young People CPR/16/04/0008	Information system for professionals and parents	£10,328	30/04/2017	To extend the existing annual maintenance service with Tribal for the provision and maintenance of an Information System for Parents and Professionals.	Sole provider	To review in line with service requirements within 12 months.
Learning & Opportunities: Children and Young People CPR/16/05/0001	Integrated live children's system	£603,672	31/10/2018	The contract for an integrated children's ICT system ended on 27 th June 2016. Adults. The system is of critical importance to the council as it provides a holistic view of each child and family in the borough	Waiver granted to enable the contract to run co-terminus with the Adults Case Management System and allow the options appraisal to take place.	The review is due to be concluded by the end of November 16. Procurement will need to commence once the outcome of the review is known

Directorate & waiver no	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				<p>which enables the Council to identify those at risk and intervene appropriately at the earliest opportunity. The system also ensures the council can fulfil its statutory obligations with regard to education and safeguarding.</p> <p>The Council's agreed ICT Strategy includes a key theme of "Systems Rationalisation" where the current ICT systems across the Council will be reviewed to, where possible, consolidate and reduce the number of ICT systems managed and maintained in the Council.</p> <p>An extension to the current Integrated Children's System contract is proposed to bring this contract co-terminus with the contract for the CareFirst Adults system to enable a review and procurement exercise to take place. The contract extension is to 31 October 2017 with an option to extend for a further 12 months until October 31 2018.</p>		
Learning & Opportunities: Children and Young People CPR/16/06/0001	Key Stage 4 BESD Alternative Provision	£500,000	31/08/2017	The contract to deliver Key stage 4 alternative provision was awarded following a procurement exercise. A extension to the existing contract is required to cover the period 1 st September 2016 to 31 st August 2017 to enable the Council to review and re-commission the service.	Wavier granted to extend the current contract with BetterCare Keys Group for a further academic year pending a procurement exercise being undertaken	Contract to be tendered in 2016/2017 Academic period so that a new contract can commence 1 st September 2018.
Learning & Opportunities: Children and Young People CPR/16/04/0003	Improvement Partner: Early help and Children's Centres	£50,000	19/11/2016	In November 2015, Inidigo were appointed as the Council's Improvement Partner for Early Help. The contract is due to expire 29 th November 2016.	Waiver requested to extend the current scope and capacity of the current contract	A new contract has now been awarded following a EU tender process

Directorate & waiver no	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				<p>Indigo is a specialist, not for profit agency who support a wide range of organisations, including local authorities, health services, children's centres and schools across the UK and UAE to deliver outstanding children's services</p> <p>Indigo has reduced expenditure associated with early help, whilst ensuring that processes are robust and continue to safeguard children and families.</p>		
Learning & Opportunities: Children and Young People CPR/16/09/0001	The Ridge Employment College	£99,667	31/03/2017	<p>The College was developed to address the issue of the poor progression of young people with Special Educational Needs and Disabilities (SEND) into employment post 19.</p> <p>All the learners who will attend The Ridge have a Severe Learning Disability or other needs such as Autistic Spectrum Condition.</p> <p>A waiver is needed for a short period of time pending the tender of the White Rose Framework which will cover this type of service provision</p>	Waiver granted for six months to enable the Council to block purchase placements as required pending the tender of the white Rose Framework	The White Rose Framework will be in place by the end of this waiver. Placements should be via the new Framework
Regeneration and Environment CPR/16/03/0001	Highways assets, maintenance and streetworks information system	£80,000	31/12/2017	<p>The continued use of Symology ICT system has been via an "Evergreen Contract" which allows for the year on year renewal unless termination is given.</p> <p>In January of 2016, the Councils IGB board agreed for a procurement exercise to be undertaken to cover Support &</p>	Waiver has been granted to extend the current Symology contract for a further 12 months to take in to consideration the wider system & technology rationalisation project being led by ICT.	Project underway supported by ICT and procurement to specify and a modern asset management, highway maintenance & street works system, Including the identification of a fit for

Directorate & waiver no	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				<p>Maintenance of the existing system, giving 12mths to do so.</p> <p>However as a full audit of all ICT systems & software is currently underway with a view to rationalise systems where possible it is necessary to continue with the incumbent system for a further 12mths.</p>		purpose hosting solution
Regeneration and Environment CPR/16/03/0012	Hosting of Interactive Web Maps	£11,000	31/03/2018	The contract with Blue Fox has been in place since April 2013, this was a three year contract for the hosting of our interactive mapping service. The use of the system is key to developing the local planning plan which needs to be submitted to Central Gov. later in the year with an anticipated implementation towards the middle of 2017. An extension to its use is therefore required to enable the completion of the plan without interruption and maintaining continuity during the plans development & review.	Waiver granted to extend the current contract with Blue Fox to continue hosting of interactive web maps. Extension on the contract is being applied for a two year period up to March 2018 so as to fit in line with the proposed development of a local plan for central gov.	A procurement exercise will take place to identify a longer term solution from April 2018.
Regeneration and Environment CPR/15/04/0002	Provision of Bio Hazard Cleaning Services	£180,000	16/12/17	<p>The Council is increasingly been called upon to carry out clearance and/or cleaning of sites where the site is contaminated. The requests are made internal and by external services such as the Police and St Leger Homes. The sites have included the scene of RTC's, Incidents on public highways and pathways, Fly tipped contaminated rubbish, known sites of drug users, Empty properties including gardens and outbuildings.</p> <p>The range of contamination can include; Body fluids and tissue (blood, faeces, urine, skin) Sharps (needles, syringes) Asbestos (Cement, soil contaminated by</p>	Waiver granted to direct award to DJ Cleaning for the provision of Bio Hazard Cleaning Service for a period of up to 18 months. The waiver will allow sufficient time to research and meet with other departments and establish their requirements, as well as determine any statutory obligation / regulations are met by the service provider. A specification document can then be provided that will ensure the required outcome of the contract is met when tendered.	A procurement exercise will be conducted through an open tender process to identify a suitably qualified service provider to enable a new contract to commence in December 17.

Directorate & waiver no	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				asbestos, asbestos sheets) Unknown liquids and hazardous waste (liquids, powders and solids) The use therefore of a professional service provider is required to cover such cleaning requirements especially when they are of a sensitive nature, whilst a full tender specification is prepared.		
Regeneration and Environment CPR/16/03/0010	Multi-Hog - Multi use planer and ancillary equipment	£145,798	n/a – acquisition of goods (vehicle)	To purchase Multihog road planer following a six month trail to support the first time 'permanent highway repairs' strategy Due to the bespoke nature of the vehicle and its flexibility in terms of attachments and tools the procurement could only be facilitated by going direct to the manufacturer. Other routes to market were investigated (existing framework agreements) but none could provide a multi-use vehicle such as this.	Waiver granted to purchase the multi-use planner and ancillary equipment vehicle from Multi-Hog.	Purchase Muilthog planer and ancillary equipment to support the 'first time permanent highway repairs' strategy
Regeneration and Environment CPR/16/04/0001	Appointment of Barrister to provide planning advice and support the obtaining of emergency injunctions	£50,000	31/03/19	Specialist legal advice to provide planning advice and to support the obtaining of emergency injunctions	Waiver granted to appoint a Barrister to enable the Council to be able to seek emergency injunctions to prevent illegal developments.	One off access to specialist advice as required. Rates are benchmarked
Finance and Corporate Services CPR/16/06/0002	Re-procure the existing Electronic Document & Records Management Solution	£435,000	31/10/2021	The contract for the current Electronic Document & Records Management Solution (EDRMS), from Northgate expired October 2016. Services have expressed concern if the system were to be changed due to resource pressures and the potential	Waiver granted due to Northgate been the only company who can deliver the required solution for the budget available and to ensure no major impact on service areas needing to implement a new solution and work on replacing technical integrations with line of	Notification has been made to the market of the intention to extend the existing arrangements.

Directorate & waiver no	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				<p>impact of change, In addition as more services are going to be available for citizens to interact digitally, there will be less need for an EDRMS system, therefore going through a full tender exercise would not be an efficient use of time, resource and budget.</p> <p>A saving of £160k has been secured on the existing contract price.</p>	business applications.	
Finance and Corporate Services CPR-16-09-0002	Appointment of Solicitors to provide ERDF advice and support	£100,000	28/09/2017	To provide specialist legal advice and assistance in reviewing the final findings of the European Court of Auditors.	Due to restrictive timescales, the Council had very limited time in which to respond to these findings and specialist advice was required at short notice.	None – one off appointment to give specific advice on ERDF
Finance and Corporate Services CPR-16-09-0003	Mosaic Public Sector	£23,060	15/09/2018	<p>Mosaic Public Sector from Experian is a socio geo-demographic segmentation tool that is utilised by approximately 70% of local authorities within the UK.</p> <p>It focuses on the needs of customers and provides a detailed and accurate understand of each resident's demographics, preferences lifestyles and behaviours. It helps us to deliver more personalised services and save money by more appropriately targeting our residents in different areas of Doncaster and helps us to better understand their needs.</p>	<p>The council is required to seek a more fundamental review if this type of product in line with our Business Intelligence intentions and vision. We are required to give three months notice so we would seek to complete this evaluation in May 17.</p>	Continue to review the market place for possible new service providers and potential competition.

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

**COVERT SURVEILLANCE - REGULATION OF INVESTIGATORY POWERS ACT
2000 (RIPA) UPDATE**

EXECUTIVE SUMMARY

- 1.1 The Council uses the Regulation of Investigatory Powers Act 2000 (RIPA) as its authority to conduct covert surveillance in the investigation of matters which it has responsibility to prosecute. Home Office statutory Codes of Practice recommend that best practice is followed if Councillors are involved in overseeing covert surveillance.
- 1.2 At Audit Committee on 27th July 2010 it was agreed that the Committee should receive reports reviewing the Authority's use of RIPA. At the Audit Committee on 17th July 2014 it was agreed that the quarterly reports could be replaced with six monthly reports due to the limited number of covert surveillances taking place. This is the half yearly report.

RECOMMENDATIONS

2. That the Committee should note the Action Plan following the inspection was carried out by the Surveillance Commissioner HH Norman Jones QC on 5th January 2016 has been completed.
3. That the Committee should note the RIPA applications that have been authorised since the last report in April 2016, attached at Appendix 1. No RIPA applications have been refused by the Magistrates during the period to which this report relates.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. RIPA policies and procedures ensure that the Council has appropriate arrangements in place to comply with the law relating to RIPA authorisations and Covert Surveillance and that it is properly and lawfully carrying out covert surveillance where it is required.

BACKGROUND

5. The Regulation of Investigatory Powers Act 2000 was introduced in response to The Human Rights Act 1998 to ensure that Local Authorities could continue lawfully to carry out Covert Surveillance. The Government also set up the Office of Surveillance Commissioners who regularly inspects Local Authorities. The Council has been subjected to five

inspections namely, 2003, 2004, 2009, 2012 and most recently in January 2016.

The three recommendations and actions from the January 2016 inspection were:

1. to amend the central record to show the date the authorising officer approved the surveillance. The form previously only showed when the Magistrates had approved the surveillance This has been done
 2. to arrange a training programme to improve RIPA knowledge. An external trainer with expertise in the field provided training on the 7th April 2016 for those within the Council whose work regularly involves RIPA. Internal training will be provided in April 2017. An online RIPA course has been developed but we are currently waiting for it to be changed to the new Adapt format so that it can be released to all council employees as an introduction to RIPA.
 3. to amend the RIPA procedure documentation. This has been completed.
-
6. The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) (Amendment) Order 2012 came into force on 1st November 2012. This provides that directed surveillance can only be authorised under RIPA where the criminal offence sought to be prevented or detected is punishable by a maximum of at least 6 months imprisonment or would constitute an offence involving sale of tobacco and alcohol to underage children.
 7. The Protection of Freedoms Act 2012 also requires Local Authorities to have all their RIPA surveillance authorisations (both directed and Covert Human Intelligence Sources (CHIS)) approved by a Magistrate before they take effect.
 8. Appendix 1 details the covert surveillance authorisations since the last report in April 2016 and an update on ones from recently completed matters. Where an authorised surveillance involves a number of premises this is now detailed in the Appendix.

OPTIONS CONSIDERED

9. Failing to follow the revised recommendations of the RIPA Code of Practice with regard to members seeing the reports would lead to criticism at the next inspection by the Office of Surveillance Commissioners.
10. Failing to follow the recommendations of the Inspection Report would leave the Authority open to criticism.

REASONS FOR RECOMMENDED OPTION

11. This will ensure that we are properly and lawfully carrying out covert surveillance where it is necessary

IMPACT ON THE COUNCIL'S KEY OUTCOMES

12.

	Outcomes	Implications
	Working with our partners we will provide strong leadership and governance.	The work undertaken by the Audit Committee helps to ensure that the systems of covert surveillance used by the Council are overseen ensuring good governance arrangements and compliance with the law and statutory codes.

RISKS AND ASSUMPTIONS

13. Failing to follow the Law, Regulations and Inspection report will put us at risk of criticism at the next inspection by the Surveillance Commissioners.

LEGAL IMPLICATIONS

14. The Regulation of Investigatory Powers Act 2000 provides Local Authorities with the mechanism in which they can carry out covert surveillance without breaching individuals' human rights under Article 8 of the Human Rights Act 2000. Failure to follow the law, statutory codes and the inspection report could be the subject of a challenge in court proceedings where RIPA powers were relied upon and also would lead to criticism at the next inspection by the Surveillance Commissioner. The Covert Surveillance and Covert Human Intelligence Source codes of practise provide that 'elected members of a local authority should review the authority's use of the 2000 Act and set the policy at least once a year. They should also consider internal reports on use of the 2000 Act on a regular basis to ensure that it is being used consistently with the local authority's policy and that the policy remains fit for purpose.'

FINANCIAL IMPLICATIONS

15. There are no specific implications due to the recommendations of this report. Where Covert Surveillance is used the costs are met from within individual service budgets.

HUMAN RESOURCES IMPLICATIONS

16. There are no human resources implications arising directly from the report.

TECHNOLOGY IMPLICATIONS

17. There are no technology implications arising directly from the report.

EQUALITY IMPLICATIONS

18. Decision makers must consider the Council's duties under the Public Sector Equality Duty at s149 of the Equality Act 2010. The duty requires the Council, when exercising its functions, to have 'Due Regard' to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic. There are no specific equality implications arising directly from this report.

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Appendix 1:Recent RIPA Applications

132.	18.2.16(Magistrate approval)	URN98	Illegal Tobacco sales (5 locations)	Chief trading standards officer	CCTV footage respectively used. Prosecution pending
133.	18.2.16(Magistrate approval)	URN99	Illegal Tobacco sales (5 locations)	Chief trading standards officer	Complaints not substantiated.
134.	24.3.16 (Magistrates approval)	URN100	Underage Nicotine and Alcohol Sales (12 locations)	Chief trading standards officer	Breaches found but compliant when checked again.
135	29.7.16 (Magistrates approval)	URN101	Illegal Tobacco sales (6 locations)	Chief trading standards officer	Prosecution pending.

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

Data Quality and Information Management Update

Relevant Member(s)	Cabinet	Wards Affected	Key Decision
			No

EXECUTIVE SUMMARY

1. The purpose of this report is to provide an update to the strategic risk identified around data quality, and also to brief the Committee with regard to information management.

EXEMPT REPORT

2. Not Applicable

RECOMMENDATIONS

3. The Audit Committee are asked to note the comments in this update report.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. Good data quality is essential to ensuring that the Council delivers cost effective and efficient services to the public. The impact and future delivery of services is based on information from many different sources and good quality data that is managed well will result in better informed decision making and reporting. Also ensuring that the Council's records are managed well provides assurance to the public that their information is adequately protected and minimises the risk of it being compromised.

BACKGROUND

Data Quality

5. A Council strategic risk around Data Quality was identified as follows:-

“Failure to improve Data Quality will prevent us from ensuring that data relating to key Council and Borough priorities is robust and valid. The Council continues to be at risk of making decisions using data that is not always as robust as it should be. In order to commission properly, make good decisions and ensure vulnerable people are safe, and then the quality of data within its systems must be of good quality”

Cabinet on 4th October 2016. It sets out the vision for data quality for the next four years and provides specific actions that will improve data quality across the Council.

6. The Data Quality Action Plan – (Appendix A) defines activity that will take place to improve data quality. These actions will be reviewed and refreshed as appropriate on an annual basis.
7. We will know that quality has improved when:
 - Better ownership and chains of responsibility can be measured from the policy sign off and completion of an eLearning module;
 - Targeting support where it is needed most through the systems approach improves quality assurance and scoring;
 - Continued testing, challenge and review from the complete self-assessments indicates progress.
 - We are able to use data from multiple systems more efficiently to create new insight.
8. Key planned activity during Quarter 3 includes:
 - Notification and completion of the Policy Sign Off by People Managers;
 - Development and launch of the revised Self-Assessment Toolkit;
 - Development and launch of the new eLearning module; and
 - Development and agreement of the Council's Data Quality Standards.
9. The action plan will be reviewed every quarter in order to ensure that the actions we have set out are achieved and improvements in the quality of our data are realised. The action plan will be refreshed on an annual basis throughout the four year strategy. The Action Plan will be monitored and governed by the Business Intelligence Board.

Information Management

10. Progress with regard to the physical storage of records was presented to the Committee in two previous reports, one in February 2015 and the other in January 2016. Further progress has now been made and is set out below.
11. The contract has been awarded to a new supplier, who are now providing records management services to the Council in relation to its paper records. All the boxes that were previously stored at an external supplier at Thorne have now been transferred to this new supplier. Work is currently underway to move boxes from the Council's town centre location; this should be completed by the end of November. The remaining store at Balby has also been started with half the boxes already transferred; it will be completed by the end of March 2017.
12. This means the Council now has one records management system for paper records with full audit facilities to track all boxes when they have been retrieved. In parallel to the transfer of boxes they are being reviewed and any past their retention date are being disposed of where it is legally possible to do so. Additionally some boxes are going to be indexed to file level which will give a complete and accurate database of their contents, which will aid retrieval of the Council's paper records.

13. As reported previously, electronic information stored on the Council's shared drive is currently being reviewed by staff. This is being carried out both by using the technical software and also manually. Files that have not been modified for a number of years and those that are classed as redundant, obsolete and trivial are being targeted. Reports are run in the software to highlight problem areas; staff can then either use it to mark up files for deletion or manually delete files where appropriate.
14. When the project started, the Council had over 16 million electronic files stored. Although this figure has grown, due to work carried out by the Council as part of the Digital Programme to operate digitally and therefore more efficiently; a report run in the software on file modified date shows a reduction of nearly 2 million files. Once this redundant information is reduced, a further phase will focus on how electronic information on this drive is structured and stored and will form part of the work evolving out of a new strategy for all information.
15. Reducing electronic files no longer required is essential to ensure we do not breach legislation by storing information longer than necessary. However, it is equally, if not more important, to improve the way electronic information is managed so an accumulation of this type of information does not occur in the future. Implementing policies and rules to how electronic information is structured and named will allow for records of a similar nature to be stored and then disposed of together based on their retention period.
16. An Information Management Strategy, which is currently being developed, will lay down the foundations to improve how the Council's information is managed. This strategy will build on and support the improvement of data quality but will also ensure that the Council's information is managed properly from creation, throughout its use to its eventual disposition.
17. The rationale for developing such a strategy is to comply with legislation and also to improve the Council's efficiency and effectiveness. It is important that the Council knows what information is being collected and stored, where it is located, it is shared when it is right and appropriate to do so, is reused and that it is only being retained for as long as necessary. Currently there is no guidance available to staff to ensure that this takes place. Information is maintained in silos, can be poorly structured and difficult to find, and is reviewed and disposed of in an ad hoc manner when no longer required.
18. Benefits of implementing an Information Management Strategy include:
 - Information that is easier to find.
 - Greater staff awareness of what information needs to be retained and when to dispose of information no longer required.
 - Reduced duplication of information.
 - Improved staff efficiency by re-using information and not creating it from scratch when it already exists elsewhere.
 - Allows for improved collaboration to make the best use of skills and knowledge.
 - Greater staff confidence when sharing information; they know what can be shared and with whom.
 - Policy and decision making is based on accurate information.
 - Provides assurance to the public that we hold quality information.

- Ensures we are compliant with legal requirements.
- Information related risk is reduced and therefore complaints to the Information Commissioners Office fall.
- Improved transparency.

19. The strategy will be informed by a staff consultation survey and the principles of information management developed for the public sector:

Principle 1 - **Information is a valued asset**

Principle 2 - **Information is managed**

Principle 3 - **Information is fit for purpose**

Principle 4 - **Information is standardised and linkable**

Principle 5 - **Information is reused**

Principle 6 - **Information is published**

Principle 7 - **Citizens and Businesses can access information about themselves**

OPTIONS CONSIDERED

20. Not Applicable

REASONS FOR RECOMMENDED OPTION

21. Not Applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

22.

	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>The establishment of consistently good quality data and improved information management supports the whole Council in delivering the key outcomes and accurate measurement of the organisations performance</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> 	

	<ul style="list-style-type: none"> • <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> 	
	Council services are modern and value for money.	
	Working with our partners we will provide strong leadership and governance.	

RISKS AND ASSUMPTIONS

23. The level of risk and progress against agreed actions will be reviewed as part of the Council's Performance Management Framework and reported against the Data Quality Strategic Risk. Information Management risks are monitored by the Council's Senior Information Risk Owner.

LEGAL IMPLICATIONS

24. The proposals assist the council with meeting its obligations with regard to personal data under the Data Protection Act 1998 and information access under the Freedom of Information Act 2000.

FINANCIAL IMPLICATIONS

25. There are no direct financial implications relating to this report.

HUMAN RESOURCES IMPLICATIONS

26. Timely communication is needed to ensure that employees are fully aware of their responsibilities and how it affects their day to day duties. Appropriate tools, training and guidance should be provided to ensure employees understand their responsibilities and are able to carry them out effectively and efficiently. There are also implications for a small number of employees under the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) as a result of awarding a new supplier the contract for the records management service.

TECHNOLOGY IMPLICATIONS

27. The Council's ICT Strategy includes 'Data Management' as a key objective, to transform the way we keep records and data, ensuring they are only held once, are easily retrievable and only held as long as they need to be.
28. As outlined in the main body of the report, a technical solution (Active Navigation) is now in place to support effective data management and work is currently underway to roll out the solution across the Council and to ensure

we are using all relevant functionality.

29. The Council's ICT Strategy also includes 'Systems Rationalisation' as a key objective, which aims to reduce the number of core and sub systems across the Council, delivering significant benefits, including:
 - Improvements in data quality
 - Reduction in duplication of data
 - Single view of data and performance to inform strategic view
 - Integrations and extract of data simpler to provide better business intelligence
30. The technology implications in relation to the implementation of the Data Quality Strategy Action Plan have been previously provided in the associated Cabinet Report.

EQUALITY IMPLICATIONS

31. Decision makers must consider the Council's duties under the Public Sector Equality Duty at s149 of the Equality Act 2010. The duty requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic. There are no specific equality implications arising from this report. However, any activities arising from the management of information will need to be the subject of separate 'due regard' assessments.

CONSULTATION

32. During the development of the Data Quality Strategy & Action Plan consultation took place involving Senior Leadership, SIRO Group, Data Protection Officer, Internal Audit and ICT.

BACKGROUND PAPERS

33. Appendix – Data Quality Strategy and Action Plan.

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Data Quality Strategy

2016/17 - 2020/21

Better Data, Better Services

Approving Body	Doncaster Council Cabinet
Date of Approval	4 th October 2016
Date of Implementation	October 2016
Next Review Date	April 2020
Review Responsibility	Strategy & Performance Unit
Version	1.0

REVISIONS/AMENDMENTS SINCE LAST VERSION (IF APPLICABLE)

Date of Revision	Amendment Details
28/07/2016	V0.1 Draft created to inform consultation
25/08/2016	V0.2 Draft updated
06/09/2016	V0.3 Draft updated following consultation
07/09/2016	V0.3.1 Draft updated following additional feedback
12/09/2016	V0.4 Draft updated following Directors Meeting
22/09/2016	V0.5 Draft Updated following Executive Board
04/10/2016	V1.0 Approved version (following Cabinet)

CONTENTS

PAGE

Introduction	1
The Purpose and Scope of this Strategy.....	1
The Importance of Data Quality	1
Information Governance	3
Information Security	3
Information Sharing.....	3
Records Retention.....	4
Information Governance Standards	4
Further Guidance.....	4
Quality Data - Everyone’s Responsibility.....	5
Key Roles & Responsibilities.....	5
Existing Problems Surrounding Data Quality.....	7
Impacts.....	7
Benefits.....	7
Our Commitment to Data Quality	8
The Six Principles of Data Quality	8
What needs to be in place for Doncaster?	9
How we will do this.....	10
Data Quality Action Plan 2016/17.....	13

Introduction

Better Data, Better Services

- 1.0 Good data quality is essential to ensuring that the Council can maximise capacity, intelligence and performance, supporting services and the people it serves. The impact and future delivery of services is based on information from many different sources and good data quality will support high quality intelligence to inform decision making.

The Purpose and Scope of this Strategy

- 1.1 This four year Strategy is the high level document setting out the principles of data quality. It also states how we intend to improve the quality of information throughout the council to support the delivery of the priorities within the Borough Strategy and the Corporate Plan and intends to:
- Establish the methods that data quality will be assessed
 - Enable high standards of data quality to be achieved
 - Ensure that all employee's and members understand their contribution to, responsibilities and necessity of good data quality
- 1.2 The scope of this strategy includes:
- All manual and electronic systems where personal or sensitive data is recorded
 - All systems and data informing Statistical Returns
 - All systems and data used to calculate Key Performance Indicators
- 1.3 It does not include:
- The performance management of the priorities within the Borough Strategy and the Corporate Plan

The Importance of Data Quality

- 1.4 High quality data produced at the right time will create a 'no surprise' intelligent performance culture enabling the Council to make well informed decisions which takes account of and embraces risk, manages services effectively and accurately reports its achievements.
- 1.5 What this looks like is data that is complete, accurate, valid, reliable, timely and relevant (see 'The Six Principles of Data Quality' section 5.1). The data in our systems needs to have the key pieces of information that helps us deliver services in the most efficient way. The records contained within the council systems need to meet sufficient data quality standards so that the council can make the best use of the information available. An example would be:

- Consistent address format across systems – allows us to match records and helps us to join up services for residents. Incorrect address records make it difficult for us to confirm where individuals are living and the services that they receive.

1.6 Data Quality is important to the Council to support:

- Accurate and timely information to manage services and accountability
- Reduce the need to review or correct information which impacts on customers
- Good information to manage service effectiveness
- Business decisions that ensures the best use of resources in the delivery of services
- Consistent insight through business intelligence

1.7 Data Quality Outcomes:

- Decide how services need to be changed and improved
- Allocate resources to where they will provide the greatest benefit
- Formulate strategies and policies to improve service delivery
- Integral to a 'Commissioning Council' where services are commissioned in a way which benefits not just the users of services but other residents as well
- Give residents the confidence that we are providing value for money
- Demonstrate excellent performance
- Meet requirements of the Code of Recommended Practice for Local Authorities on Data transparency

Information Governance

- 2.0 This strategy does not impose new obligations, but reflects current legislation, regulations and policies. It is informed by:

Information Security

- 2.1 Information security is the responsibility of everyone regardless of whether they are employed by a public authority, voluntary agency or business. Principle 7 of the Data Protection Act 1998 specifically states that 'appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data'.
- 2.2 It is the responsibility of all staff handling personal data to ensure they are familiar with and follow the processes and procedures implemented within their agency regarding information security.
- 2.3 Information security not only refers to the responsibilities relating to personal data but includes; non-personal data such as commercially sensitive and business sensitive information that also requires protection. It also covers the principles of ensuring that business systems and networks are protected against computer viruses.

Information Sharing

- 2.4 The Data Protection Act 1998 regulates the holding and processing of personal data i.e. information relating to living individuals. Data controllers must comply with the eight data protection principles which together form a framework for the proper handling of personal data.
- 2.5 Since April 2010 the Information Commissioner has had new powers to impose significant fines on businesses that have seriously breached the data protection principles; this includes illegal sharing of personal data. It is, therefore, imperative that data sharing protocols are implemented where necessary.
- 2.6 The Team Doncaster - Tier 1 Information Sharing protocol (Partnership Data Sharing Strategy) has been developed to establish a framework for sharing information.

Records Retention

- 2.7 Section 46 of the Freedom of Information Act 2000 and Principle 5 of the Data Protection Act 1998 puts a legal responsibility on the Council to have mechanisms in place to manage its records. This includes ensuring that information is disposed of when it is right and legal to do so, which is achieved by embedding an effective Data Retention Policy and an associated Retention Schedule.

Information Governance Standards

- 2.8 The Information Governance Toolkit is commissioned by the Department of Health Policy. It is an online system that draws together the legal rules and central guidance and presents them in a single standard as a set of information governance requirements against which assessments can be made. The organisations, including councils, which are in scope, are required to carry out self-assessments of their compliance against the IG requirements. It also allows members of the public to view participating organisations' IG Toolkit assessments.
- 2.9 Once Doncaster has achieved the Level 2 standard required by the toolkit the council will be able to receive public health data from HSCIC. The council will also be able to share more data with NHS organisations, to support integrated health and social care commissioning.

Further Guidance

- 2.10 Further related guidance is available through the Councils Policies including:
- Information Management Strategy
 - Technical Security Policy
 - Data Retention and Disposal Policy
- 2.11 A suite of e-Learning modules, some of which are mandatory, are also available covering Introduction to the Data Protection Act; Data Protection Awareness; Records Management and Information Governance

Quality Data – Everyone’s Responsibility

- 3.0 Consistent high quality data is reliant on embedding behaviour and culture within the organization in which all members of staff are aware of their roles and responsibilities.
- 3.1 Every person working in the council has a duty to support good quality data in the following ways: -
- To record information as they receive it;
 - To check that it is fully recorded without errors in the correct format; and
 - To ensure that they are aware of all data procedures and standards relevant to their work.

Key Roles & Responsibilities

- 3.2 Within the council, roles and responsibilities for ensuring data quality have been assigned as follows:
- 3.3 **All Staff within the Council**
- To complete the appropriate eLearning modules
 - To ensure that information collected recorded and produced is of an appropriate high quality
 - To apply corporate data quality standards consistently
- 3.4 **People Managers**
- To ensure that all staff are aware of their responsibilities in respect of data quality and to ensure that policies and procedures are in place and followed rigorously and that appropriate training is undertaken.
- 3.5 **Senior Leadership Team**
- To communicate the high importance of data quality across the organisation
 - Co-ordinating the corporate reporting process across their service area(s)
- 3.6 **Heads of Service/Information Asset Owners**
- To prioritise support for business critical systems and data requiring quality assurance
 - To ensure that identified data quality problems are resourced and solved
 - Responsible for the completion of the Self-Assessment Tool for all statutory returns which will link to systems in their areas
- 3.7 **Performance PI Owners/Returns Co-ordinators**
- General information on key PIs, including ownership and deadlines

- To understand the definition of the returns and measures for which they have responsibility
- To collect data according to definitions and report it on time
- To complete data quality self-assessments for all statutory returns and address areas of weakness

3.8 **Strategy & Performance Unit**

- To support and challenge across the council in measuring, recording, reporting and interpreting performance data
- To liaise with PI Owners and Return Co-ordinators in meeting self-assessment requirements
- Communicating, across the council, messages relating to data quality as it affect service performance and improvement.
- Co-ordinating the delivery and refresh of the Data Action plan.

3.9 **Information Governance Team**

- Are responsible for information management policy and strategy and records managements – paper as well as data and systems information

3.10 **ICT**

- To advise on data security, integrity and legality
- To ensure that procurement of systems includes data quality standards
- Specify the technical set-up of all business systems to ensure they all link up with the required datasets that will ensure quality including land and property gazetteer
- Ensure data is technically stored and organised as required
- Responsible for all electronic data security

3.11 **Internal Audit**

- To carry out a programme of independent audit on a selection of “at-risk” PIs, Returns and systems to test and challenge arrangements, based upon the results of individual data quality self-assessments

3.12 **Senior Information Risk Owner (SIRO)**

- Responsible for the information risk profile of the organisation
- Responsible for the identifying risks relating to data and information for the organisation
- Responsible for appropriate mitigations so that the risks can be accepted
- All data quality concerns or issues with potential solutions should be reported to the SIRO Board for awareness, consideration and agreement.

3.13 **Business Analyst Support**

- To support the quality assurance of systems and data

Existing Problems Surrounding Data Quality

- Data is not always being recorded as it is received;
- Data is not always being recorded without errors,
- Data is not always recorded in the correct format; and
- Data that is being used for the same purpose is not always being stored consistently.
- Data is manipulated outside of collection systems e.g. in spread-sheets

Impacts

- 4.1 Poor data quality is not acceptable due to the impacts which could arise from the use of unreliable customer and/or performance information, including:
- Mistakes/delays in providing services
 - Inaccuracies leading to customer dissatisfaction
 - Failure to spot and address performance concerns
 - Unnecessary costs
 - Poor quality business intelligence

Benefits

- 4.2 Despite data quality processes being in place, it is clear from what has been stated above, that these are not yet fully effective within the council. This strategy aims to put data quality at the heart of managing our performance effectively by embedding activity which changes behaviours and culture. The benefits of doing so will include:
- Officer time currently used to validate large amounts of data could be saved and used instead to deliver and improve services;
 - Officers will have a clearer understanding of the benefits of good data quality and the impacts of poor data quality
 - Managers will make decisions using more reliable data, increasing the likelihood that good quality decisions will be taken on behalf of the people of Doncaster;
 - Performance information provided to government will give a more accurate reflection on the performance of the council.
 - Improved outcomes
 - Informed service transformation and improvement
 - Better measurement of the effectiveness of strategies
 - Better business intelligence

Our Commitment to Data Quality

5.0 “Data should be right, first time, on time”

The Six Principles of Data Quality

5.1 As a council we are committed to six basic elements within this Strategy to ensure that the data that we produce can be recognised as ‘Quality’ data. These are as follows:

Complete	Data gives you the whole picture. Incomplete data may be acceptable if you have a representative sample. We cannot afford to omit some of the users of a service.
Accurate	Data is error-free to present an honest reflection of performance and enable informed decision-making at all levels. We can't deliver services to someone whose address is out of date because they've moved.
Valid	Data conform to a clear and unambiguous definition. Addresses are taken from a single address list and have a common format.
Reliable	Data have trusted sources and consistent collection methods. Managers and stakeholders alike should be confident that changes in data reflect real changes in what is being measured not random fluctuation or variations in data collection methods. We must make sure that we provide the right services to people who need them most.
Timely	Data must be available for intended use when needed, soon after collection. Other staff may need to use the information we record, particularly when delivering complex services.
Relevant	Data must apply to the context in which they will be used. We do not need to record everything about a service user only that which will enable us, or others, to deliver an excellent service.

What needs to be in place for Doncaster?

5.2 In order for the six principles of data quality to be met, as a Local Authority we must:

- Create a 'right first time' culture
- Better ownership and chains of responsibility
- Use information in a timely and effective manner
- Measure the things that matter
- Target support where it is most needed
- Continually test, challenge and review

5.3 To do this we need to ensure that: -



- Effective systems, policies and procedures need to be in place to ensure the highest possible data quality.



- The right people with the right skills are in place to ensure timely and accurate performance information



- Arrangements are made at senior level to secure the quality of data.



- Staff are clear as to their responsibilities towards data collection, distribution and quality.



- Controls are in place to ensure that we meet what is expected of us.



- Data is stored, used and shared in accordance with all relevant laws, including the Data Protection Act and the Freedom of Information Act.

How will we do this?

- 5.4 **Policy Sign off** - To strengthen the Councils management of key governance policies the Corporate Governance Group has agreed a list to be managed via the Councils performance management system. The Data Quality Strategy will be included in this list, and the Chief Executive, Directors and Heads of Service and people managers will be required to sign it off. In signing off the policy each person is confirming that they agree to adhere to the new strategy and embed the activity defined within. Monitoring of compliance to policy sign off is incorporated into the completion of the Annual Governance Statement.
- 5.5 **The Quarterly and Annual Performance Cycle** - Data quality has been identified as a strategic risk, in that failure to improve Data Quality will prevent us from ensuring that data relating to key Council and Borough priorities is robust and valid. The level of risk and progress against agreed actions are reviewed as part of the Council's Performance Management Framework and recorded on the performance management system.
- 5.6 **A Data Quality Action Plan** - A data quality action plan (section 6.) outlines the activities that will take place to improve the council's arrangements to secure better quality data. This plan will be reviewed and refreshed in consultation on an annual basis. Key activities include:
- Development and implementation of Data Quality eLearning module
 - Develop data quality standards - The use of data standards within systems can greatly improve data quality. These can be incorporated into existing or as new systems are procured using either electronic selection lists or manually generated lists for example on data collection forms. Either method requires that the lists must be generated from national or locally agreed definitions and must be controlled, maintained and updated through strict agreed procedures.
 - Identification of master datasets that will be authoritative for the Council.
 - "Golden Record" - Items such as Unique Reference Numbers (URN) and Date of Birth are essential to ensure that service users are identified correctly. Other items such as address, ethnicity, disability etc. to enable the Council to develop a single customer record.
- 5.7 **Data Quality Self-Assessments** - The self-assessment tool is designed to facilitate making an assessment of the quality of the data that is currently held and used to produce statistical returns. Metropolitan Councils are currently required to submit around 160 data returns to government, some of which are submitted quarterly or monthly. The returns are also the source of some of the Councils' key PI's.
- 5.8 In order to prioritise assessment of the Councils data quality, it is proposed that:
- In the first instance there will be an assessment of data collections that have known data quality issues linked to the council's key systems and data collections that have key performance indicators calculated from them. Assessments will be rolled out to assess all other data collections by all Heads of Services once the assessment process is embedded for the priority collections and services;

- This will take the form of a self-assessment process that will be developed and implemented using a Data Quality Assessment Tool. As criteria are assessed, a data quality score will be calculated – such as the higher the score the higher the likelihood of poor quality data. An overall data quality score will be calculated and displayed.
- Data quality assessment will be a continual process with the first assessments taking place in Q1 each year, rather than at the end of Q4 as previous assessments have been carried out. By identifying risks to the quality of Statutory Returns and systems data at the beginning of the annual collection period, action can be taken to address risks as the data is collected, rather than finding out the data is flawed at the end of the collection period, when it is too late to address issues.
- Be repeated, on a Quarterly basis, for any criterion that scored amber or red data quality ratings in the preceding Quarters. These will need to have action plans developed, to address the issues that make the data quality risk score high.

5.9 **A Systems Approach to Quality Assurance** - The process for tackling data quality issues can be represented as an iterative cycle of activities. The model describes these activities to facilitate the review of current systems and prioritise for analysis, cleansing, establishing validation and monitoring.

5.10 It is expected that Heads of Service and Information Asset Owners will lead in this systems approach, incorporating self-assessments scores, business knowledge and evidence based on existing validation reports. They will be responsible for scoping the planned activity and expected outcomes and measurements and co-ordinating the required resources.



Systems Approach to Quality Assurance

Discovery

- Identify key systems, in scope datasets
- Test against agreed standards including: "Golden Record"; mandatory fields, reporting requirements, data sharing requirements, duplicate/orphaned/incomplete/missing records
- Investigate and assess effectiveness of current data quality validation
- Assign current data quality score (such as completion of Self-Assessment Tool)
- Identify source/cause of poor data quality

Analysis

- Assess the level of risk and impact on the business
- Assessment against statutory requirements (Data Protection, Single Data List, service specific legislation and guidance)
- Assessment against business rules and service processes
- Consider the options to address the issues

Cleansing

- Clearly identify and implement required activity to improve data quality at source, such as:
 - staff training and development
 - development of validation reports
 - system amendments and development
 - complete data repairs

Validation

- Confirm that cleansing activity has improved data quality as expected
- Establish regular validation process

Monitoring

- Reassess against Discovery & Analysis criteria
- Complete/Update Self-Assessment

Data Quality Action Plan 2016/17

- 6.0 A series of actions have been devised to improve the council's Data Quality arrangements during 2016/17.
- 6.1 There is an expectation that the Senior Leadership Team, Heads of Service and all People Managers will have a significant role in embedding the strategy and the delivery of the activity within the plan.
- 6.2 All staff will need to ensure that they understand what is meant by good data quality and how they contribute to it and apply the principles in their day to day work.
- 6.3 We will know that quality has improved when:
- Better ownership and chains of responsibility can be measured from the policy sign off and completion of eLearning module
 - Targeting support where it is needed most through the systems approach improves quality assurance and scoring
 - Continued testing, challenge and review from the complete self-assessments indicates progress
- 6.4 This action plan will be reviewed every quarter in order to ensure that continual improvements in the quality of our data is sought and the action plan will be refreshed on an annual basis throughout the four year strategy.
- 6.5 The level of risk and progress against agreed actions will be reviewed as part of the Council's Performance Management Framework and reported against the Data Quality Strategic Risk.
- 6.6 The Action Plan will be monitored via regular reporting to the Business Intelligence Board.

Policy Sign Off		
Action	Complete By	Lead(S)
Notification of Data Quality policy sign of via the Councils Performance Management system	End of October 2016	Strategy & Performance Unit
Policy sign off	End of March 2017	All Managers
Development and completion of Data Quality eLearning module	End of December 2016	Strategy & Performance Unit/ All staff

Data Quality Self-Assessment		
Action	Complete By	Lead(S)
Review and strengthen the data quality assessment process and tool	End of November 2016	Strategy & Performance Unit
Actively promote and deliver Data Quality self-assessment training to all Heads of Service/Information Asset Owners/PI Owners & statutory return co-ordinators on: <ul style="list-style-type: none"> • Their responsibilities in meeting self-assessment requirements and how to use the self-assessment tool • Action plan requirements for those that are assessed at risk 	End of February 2017	Strategy & Performance Unit/ Heads of Service /Information Asset Owners/ PI Owners & Returns Co-ordinators
Complete self-assessments for all statutory returns	End of March 2017	Heads of Service
Action plans to be completed for all key measures/ returns that have been assessed as at risk	End of April 2017	Heads of Service
Review self-assessments to be carried out for all key measures/returns that have been assessed as at risk	Quarterly From June 2017	Heads of Service
Review of action plans to be carried out for all key performance measures/returns that have been assessed as at risk	Quarterly From June 2017	Heads of Service
Information governance and quality assurance of systems and data		
Action	Complete By	Lead(S)
Update the Information Asset Register and record of Business System Owners	End of October 2016	Information Asset Owners
Develop data quality standards to be adopted by the council	End of November 2016	ICT/Strategy & Performance Unit
Promote and implement the LLPG as the default look up for address data as part of the data quality standards	End of March 2017	ICT/Information Asset Owners
Identification of master data “sets” that will be authoritative for the Council	End of October 2016	ICT/Information Asset Owners
Implementation of the single customer record as the “Golden Record” across key council systems	End of March 2017	ICT/Information Asset Owners
Complete and show compliance to Level 2 of the IG Toolkit <ul style="list-style-type: none"> • Develop plan for year on year improvement 	End of March 2017	Customer Services (Data Protection Officer)
Using systems approach to quality assurance identify current systems and prioritise for analysis, cleansing, establishing validation and monitoring via the model (section 5.9 - 5.10) Progress quality assurance activity, completing dependant on scope and scale	End of November 2016 End of March 2017	Heads of Service /Information Asset Owners

Data Quality Audit		
Action	Complete By	Lead
Undertake detailed audit testing of measures/ returns that score well or poorly against the Data Quality self-assessment and present results to Governance Group and Audit Committee.	End of March 2017	Internal Audit and Information Asset Owners
Target Data Quality support to service areas that score poorly against the Data Quality self-assessment	End of March 2017	Internal Audit and Information Asset Owners
Supporting The Decision Making Process		
Action	Complete By	Lead
Work Data Quality self-assessment information into Quarterly Performance reports to support use of data	Quarterly From Quarter 4 (16/17)	Strategy & Performance Unit
Emphasise Data Quality in Directorate Challenge meetings using the results of DQ self-assessments	Quarterly From Quarter 4 (16/17)	Strategy & Performance Unit
Review of the Action Plan for 2017/2018	End March 2017	Business Intelligence Board

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

Q1 2016/17 STRATEGIC RISK UPDATE

Relevant Member(s)	Cabinet	Wards Affected	Key Decision
Mayor Ros Jones		N/a	N/a

EXECUTIVE SUMMARY

1. The purpose of this report is to provide a progress update on Strategic Risks for Quarter 1 2016/17.

2. A review of Strategic Risks was undertaken as part of the challenge process to ensure that they reflected the priorities in the Corporate Plan for 2016/17. There are 17 Strategic Risks; all have been updated as part of the Quarter 1 reporting process. The Heat Map shows a summary of the scores.



3. No risks have been identified for demotion.

4. A new risk has been proposed to highlight the short, medium and long term implications and impacts of the referendum;

As a result of the decision for the UK to leave the European Union there is increased uncertainty across a number of policy and funding areas that could lead to disruptions in funding and/or projects locally in Doncaster.

5. As a result of the Quarter 1 challenge revised wording was developed for the risk around austerity;

The potential personal financial position facing individual citizens across Doncaster Borough may result in an increase of poverty and deprivation

RECOMMENDATIONS

6. The Audit Committee members are asked to:

- a) Note and comment on the report and the Strategic Risk profiles in Appendix A;
- b) Note the revisions to the Strategic Risk Register (paragraphs 4 & 5)

EXEMPT REPORT

7. Not Applicable

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. The embedding of robust risk management arrangements within the Council incorporating the management of strategic risks creates an environment in which we can successfully meet our objectives to deliver Doncaster’s priorities and the Mayoral Priorities Outcome Framework.

OPTIONS CONSIDERED

11. Not Applicable

REASONS FOR RECOMMENDED OPTION

12. Not Applicable

IMPACT ON THE COUNCIL’S KEY PRIORITIES

12.

Priority	Implications
All people in Doncaster benefit from a thriving and resilient economy.	The embedding of robust risk management arrangements within the Council will contribute to the effective delivery of all the Council’s key priorities
People live safe, healthy, active and independent lives.	
People in Doncaster benefit from a high quality built and natural environment.	
All families thrive.	
Council services are modern and value for money.	
Working with our partners we will provide strong leadership and governance.	

RISKS AND ASSUMPTIONS

13. The Risk Management Policy includes a requirement to review strategic risks on a quarterly basis and this is a matter of good management and good governance.

LEGAL IMPLICATIONS

14. Any specific implications will be reported separately and in the context of any initiative proposed to be taken in relation to the management of strategic risk.

FINANCIAL IMPLICATIONS

15. Should any specific initiatives be required, in response to the management of strategic risks, any cost implications will be reported and addressed as and when they arise.

HUMAN RESOURCES IMPLICATIONS

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

TECHNOLOGY IMPLICATIONS

17. There are no direct technology implications resulting from this report.

EQUALITY IMPLICATIONS

18. There are no specific equality implications arising from this report. However, any activities arising from the management of strategic risks will need to be the subject of separate 'due regard' assessments.

CONSULTATION

19. Consultation has taken place with strategic risk owners and Directorate Management Teams as part of the quarterly performance challenge process.

BACKGROUND PAPERS

20. Reports generated via Covalent for Directorate Q1 challenge meetings.

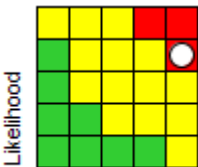
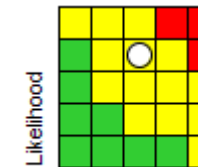
REPORT AUTHOR & CONTRIBUTORS

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Simon Wiles
Director of Finance and Corporate Services

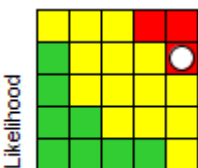
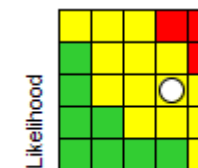
Current austerity measures result in increased poverty in Doncaster, causing deprivation for citizens and restricting the borough's ability to improve and grow.

Simon Wiles

Current Risk		Target Risk
<p>20</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current Position: Since the last update (linked to a previous risk related to the Welfare Reform agenda), Theresa May has been installed as the new Prime Minister and a re-vamped Cabinet has been put in place. Whilst there is a new Chancellor in place, Lord O'Neil remains as the Communities Secretary and Andrew Percy MP has been appointed as the Northern Powerhouse Minister. Since her appointment the new Prime Minister has spoken about the importance of economic policy working for all places and has placed a renewed focus on industrial strategy, which is an initial positive marker for future devolution.</p> <p>The results of the BREXIT referendum within Doncaster (68.96% to leave), has given HM Government further considerable concern as to the levels of poverty and deprivation in localities. On-going discussions are being held between Ministers, Politicians and officials on the level and type of interventions required to tackle high levels of deprivation within Communities, part of our recent ask to Government (Local Growth Fund Round 3) will assist in the positive uplift, however the potential intervention of £156m will not resolve the issues currently causing poverty within Doncaster.</p> <p>Mitigating Actions: St Leger Homes Chief Executive Susan Jordan Chairs the Anti-Poverty Group (APG), a borough wide partnership initiative consisting of a wide-range of statutory agency and voluntary sector representatives. Operating within a clearly defined strategy and detailed action plan, it reports directly to Team Doncaster and encompasses work that also takes place within the partnership-based Fairness and Inclusion forum. The APG works closely with the Stronger Families Programme, the Benefits Agency and DMBC Directorates to coordinate activity and address the needs of vulnerable families and individuals. In terms of growth, the Sheffield City Region continues to build momentum towards the introduction of the Northern Powerhouse. DMBC has a number of representatives within the governance structure and they will continue to push for continued investment within the Borough and highlight any potential risks to the Executive at the earliest possible time.</p>	<p>12</p>  <p>Likelihood</p> <p>Impact</p>

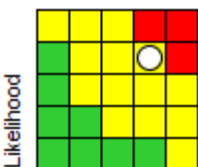
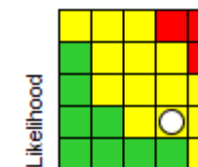
Failure to achieve the budget targets for 2016/17 and 17/18.

Simon Wiles

Current Risk		Target Risk
<p>20</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current Position: At Q1 the projected overspend for 2016/17 is £2.8m. Work is underway to update the budget gap and produce the budget proposals for 2017/18 in preparation for approval in March 2017.</p> <p>Mitigating Actions: On the 2016/17 budget targets further work will take place with managers to reduce projected overspends. General reserves are sufficient to meet the £2.8m potential overspend. The 2017/18 budget proposals are being reviewed and updated with managers and elected members to produce draft proposals and start the consultation in November 2016. Key risks to the 2017/18 budget have been identified and are being managed as part of the budget setting process.</p>	<p>12</p>  <p>Likelihood</p> <p>Impact</p>

Failure to improve Data Quality will prevent us from ensuring that data relating to key Council and Borough priorities is robust and valid.

Simon Wiles

Current Risk		Target Risk
<p>16</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current position: Poor quality data seriously hampers the ability for the Council' to provide modern effective services. Moreover poor data and information will also reduce the effectiveness of the decisions that the Council can make. There are specific examples that demonstrate this including adult social care client management system that at the moment does not provide the quality of data that is required to support and add value. In addition our ability to maximise the opportunities of linking up data automatically and supporting the digital council agenda which can be seriously impaired if the quality of the data in our systems is not up to standard.</p> <p>Mitigating Actions: To improve the quality of data across the organisation it will take time as we establish new processes and identify issues and links across the plethora of systems and data we currently hold. Progress continues on track to</p>	<p>8</p>  <p>Likelihood</p> <p>Impact</p>

develop the new Data Quality Strategy to be agreed by 30th September 2016 which will set out the vision for data quality over the next few years and provide specific actions that will improve the quality of data across the council. It is likely that these actions will include a methodology for improve poor data in our systems, data quality standards and further training. Engagement across all Council departments will be required to ensure improvements are made quickly and appropriately. A register for all returns to central government will be updated and monitored to ensure the data supplied nationally is of good quality and ownership is clear. A business intelligence model which will support 'open data' across Doncaster is being discussed and will, once established help to support good and where appropriate automated information flows between systems improving the quality of data available in Doncaster. This risk links to all existing council plans, since the data we use informs all actions and decisions.

Children and Young People do not achieve in line with national expectation

Damian Allen

Current Risk		Target Risk
<p>16</p> <p>Likelihood</p> <p>Impact</p>	<p>Current Position: Provision attainment results are due in August. Key Stage 2 Level 4 results for reading, writing and Maths combined have shown a disappointing drop in performance for 2015 putting Doncaster in the bottom quartile nationally. 2015 GCSE 5 A*-C inc English and Maths indicate a decline in line with the National trend but remain below the national average. Under the new Ofsted framework and inspection arrangements very few Doncaster schools have been subject to inspection, but those that have are improving their grades and the vast majority of interim Ofsted monitoring visits report positive progress The Key Stage 2 rapid improvement strategy has been approved by the Minister for schools and has engaged the vast majority of schools in Doncaster. All interim targets so far have been reached. An indicative projection for outcomes based on standardised tests in year 6 is encouraging and a range of very focused initiatives are in place to raise standards according to the new framework of tests. A Key stage 4 strategy is planned with the Academies and a variety of challenging curriculum groups are in place led by the LA and supported by the Teaching School Alliance</p> <p>Mitigating Actions:</p> <ul style="list-style-type: none"> • Continue to deliver School Improvement 3 year Post Ofsted action plan which is currently midway through implementation, with an improving picture regarding quality of 'Leadership & Performance' and will have an effect on the overall Ofsted outcomes. • Challenge Schools Commissioner and Sponsors of Academies on underperformance. • Ensure School Improvement Strategy is delivered, taking into account new Ofsted Measures. • Improve pupil attendance via enhanced early help deliver the aspects of the education and skills strategy to include: • Key Stage 2 and 4 rapid improvement initiatives • Academy exploration and growth strategy for schools at risk of decline and those wishing to join Multi-Academy Trusts • Revision support in the community for students and parents • Leadership succession and recruitment support initiatives in partnership with the Teaching School Alliance • Independent Education & Skills Commission undertaking a review of education and skills across the borough - their final report is due in Sept 2016 	<p>12</p> <p>Likelihood</p> <p>Impact</p>

Failure by the Council and the Trust to agree and set a realistic annual budget target

Damian Allen

Current Risk		Target Risk
<p>15</p> <p>Likelihood</p> <p>Impact</p>	<p>Current position- The Trust has informed the Council that based upon current levels of placements it is predicting a £2.4m overspend in 2016/17. Under risk share mechanism of 75/25, this means that the Council is required to fund £1.8m and the Trust £0.6m of this projected shortfall. The Trust does not have sufficient reserves to address this gap. Due to the size of the forecast overspend it is likely that the Trust will be asked to attend scrutiny to explain the variance.</p> <p>Mitigating actions -The Trust has explained it will:-</p> <ul style="list-style-type: none"> > Sets out the contract performance measures and a report which explains the forecast outturn, assumptions and potential options for recovery > Care ladder numbers and strategies; > includes price and volume variances, so that it can see we are currently 	<p>10</p> <p>Likelihood</p> <p>Impact</p>

experiencing higher levels than the contract. Where there is a significant change in volumes the contract does allow for contract variations to reflect this, but it is acknowledged that this would need to be justified via a business case;
 > Progress regarding in - house fostering, numbers removed from register, new recruits, numbers housed etc. Employing a professional marketing campaign and fund this via pay costs.

Health and social care services do not change fast enough , impacting on quality, accessibility and affordability of services for people who need them most

Kim Curry

Current Risk	Current Position:	Target Risk
<p>15</p> <p>Likelihood</p> <p>Impact</p>	<p>The pace of transformation has increased significantly since Cabinet approved the Adults Health and Wellbeing Transformation Programme in March 2016. A further significant Cabinet decision has been made to introduce a new model of care and support at home, based upon 6 localities, each with a Strategic Lead Provider, and a framework of Borough wide Additional Support Providers with a phased approach to implementation. In addition, the National Development Team for Inclusion is progressing work to introduce a community led and person centred approach to social care and EY are nearing the completion of their business cases for the agreed 5 transformation themes. The Immediate Business Improvement projects are delivering the changes to improve services for vulnerable people in the borough and the financial picture has also improved as a result.</p> <p>The risk score of 15 has been retained since it is still "possible" that the changes will not happen quickly enough. However, the mitigating actions below should ensure that the modernisation of services remains on track.</p> <p>Mitigating Actions: Progress on transformation is rigorously monitored and challenged by the Adults Health and Wellbeing leadership team and by the established Improvement Board. Regular reports are presented to these both forums and recommendations are made and addressed where pace and intensity need to increase. Regular updates are planned for Directors and Cabinet Members so that appropriate and timely decisions can be scheduled and made. Financial outputs and outcomes from the programme will feed directly into the Medium Term Financial Strategy.</p>	<p>15</p> <p>Likelihood</p> <p>Impact</p>

Failure to obtain assurance as to the safeguarding of children in the borough Failure to meet children’s safeguarding performance requirements which could lead to an 'inadequate' inspection judgement by Ofsted

Damian Allen

Current Risk	Current Position:	Target Risk
<p>15</p> <p>Likelihood</p> <p>Impact</p>	<p>The formal arrangements to monitor and review the effectiveness and input of services to children provided by the Trust are believed to provide assurance to this risk. Overall the safeguarding indicators specific to children are now performing better than they were this time last year. Ofsted did not raise any concerns as to the safety of children in the borough, but did recommend improvements to social work practice which are being addressed through the Ofsted Improvement Plan and will be further assessed by the Ofsted monitoring visit in August 2016.</p> <p>Mitigating Actions: The draft Ofsted improvement plan was submitted to Ofsted on 9th February 2016. Ofsted responded positively stating that the draft Improvement Plan addressed the identified areas for development from the inspection and that it was clear that progress had been made across a range of aspects and where action is completed, arrangements are in place to ensure this is maintained. The finalised plan was submitted to Ofsted on 26th April 2016 and was along with attendant actions which was implicitly endorsed by the 'Getting to Good' seminar on 29th April, 2016. The LGA peer review of July 2016 has not raised serious concerns but has identified areas for improvement which carry potential risk.</p>	<p>15</p> <p>Likelihood</p> <p>Impact</p>

Failure to set robust assumptions on pensions deficit recovery and future contribution

Simon Wiles

rate for the 2016 valuation

Current Risk	<p>Current Position: Initial discussions have taken place with the actuary for South Yorkshire pensions. However, since the initial discussions interest rates have fallen across the wider economy following the Brexit vote which potentially increases the level of the deficit and although an estimate was included within the Medium term financial plan this may not be sufficient.</p> <p>Mitigating Actions: The Council will be reviewing and challenging the assumptions made by the Actuary with SYPA and other LA's in South Yorkshire. The Council will be working with other LA's at a local and at a national level through the LGA to minimise any additional costs arising from the 2016 Valuation. Final results will be known early September 2016. The Council will also review the Medium-term Financial Plan.</p>	Target Risk
<p>12</p>		<p>4</p>

Failure to deliver the actions identified in the Equality and Inclusion action plan may impact our ability to effectively embed and delivery the equality agenda which could result in the council being exposed to public 'due regard' challenge

Simon Wiles

Current Risk	<p>Current Position: We have now entered the final year of the current Equality Plan. The first two years concentrated on ensuring that systems and processes were in place to meet the requirements of the Equality Act 2010 and the Public Sector Equality Duty (PSED). This year's actions are currently focussing upon effectively embedding the equalities, inclusion and diversity agenda internally – and externally. Year 3 has a new focus on improving external outcomes. With the assistance of the Local Government Association, work is currently underway to identify best practice. Leeds, Nottingham and Barnsley have been identified as 'excellent' and visits there have been planned. In addition, DMBC Internal Audit are currently auditing the Year 2 actions and will shortly produce their findings for the Equalities Steering Group and Portfolio Holder, Deputy Mayor Glyn Jones.</p> <p>Mitigating Actions: The Local Government Association have agreed to collaborate in the production of the new 3 year Equalities Plan for 2017-20. By working closely with LGA peers, the focus will be on improving/revising our approach to maximise the agenda's impact internally and externally. A benchmarking exercise has commenced against the LGA's comprehensive Equality Framework. Evidence will be collated to provide a suitable grading and 'gap' analysis. Governance arrangements continue to be strengthened with a review of the Steering Group membership. The new membership will be more senior and encompass a wider range of the organisational membership and is designed to further embed the work progressed in Year 1 and Year 2.</p>	Target Risk
<p>12</p>		<p>8</p>

Failure to adequately implement effective joint working arrangements which could lead to ineffective delivery of children's services across the wider partnership system

Damian Allen

Current Risk	<p>Current Position - The Children and Families Partnership Board is the fulcrum of the arrangements to discharge the S10 statutory responsibility. There were doubts as to the efficiency and effectiveness of this body which the DCS and AD Commissioning identified on appointment. The CFPB has since September been undergoing development work which has included revisions to operating practice and a number of key support documents such as the children and Young People's Plan.</p> <p>Mitigating actions - A Governance review has recently concluded and this has led to some reforms which include:- an Interim executive Group which will drive forward the agenda with pace; review and revisions to the number and scope of sub groups; proposed revisions to the membership of the Board. Work is progressing to develop a much more 'fit for purpose' CYPP 2017 - 2020.</p>	Target Risk
<p>12</p>		<p>8</p>

The agreed standards and policies are not adequately understood and implemented by

Kim Curry

practitioners who work with vulnerable adults increasing the risk of vulnerable people experiencing harm or abuse

Current Risk		Target Risk
10 Likelihood Impact	<p>Current Position: A peer review action plan has been developed and endorsed by the Doncaster Safeguarding Adults Board and significant progress has been made implementing this. The Safeguarding Adults hub is now in place and has been operational since 4/4/16 to manage all safeguarding cases and clarify safeguarding pathways. A report of progress made in relation to the peer review action plan and the Safeguarding Adults hub will be presented to Doncaster Safeguarding Adults Board on 25.7.16.</p> <p>The board continues to provide a multi-agency training programme to support staff to deliver safeguarding in line with South Yorkshire Procedures and the Care Act 2014.</p> <p>Mitigating Actions: A multi-agency guidance document has been developed and is currently being piloted with partners which will provide clear guidance on when the criteria for a safeguarding concern has been reached. This will enable independent providers to make decisions on actions with areas of concern with a view to reducing inappropriate referrals to the Safeguarding Adults hub.</p> <p>The Council is currently working to develop local safeguarding policies, aligned to South Yorkshire procedures, which will be accompanied by a mandatory training programme for key staff. The LGA will revisit Doncaster in September to assess progress on the peer review recommendations. This will inform future improvement initiatives.</p>	10 Likelihood Impact

Failure of partnership to engage in effective early intervention leading to inappropriate referrals to statutory services and unnecessary escalation of need and risk.

Damian Allen

Current Risk		Target Risk
9 Likelihood Impact	<p>Current Position: Contacts into DCST remain high this is due to increasing demand in the community and a change to recording practice of 'contacts' which is more accurate and is quite proper. Early analysis of the effectiveness of the Early Help Hub against social care contacts showed that referrals to social care which should have been referred to the Hub were as low as 5%. latest quarterly figures show this figure to be less than 2%</p> <p>Mitigating Actions: There remains an issue in that too many contacts are made to social care which the LGA peer review regarded as unsustainable and most of these are believed to relate to for IAG (estimated to be around 60%) Better understanding by partners of thresholds and overcoming risk aversion is a piece of work going forward which will be reinforced by training and knowledge transfer. The Peer review suggested that a shared strategy to effectively manage demand across the partnership is needed.</p>	6 Likelihood Impact

Failure to adequately address a sufficient number of Children's Trust PIs (as defined in the service delivery contract)

Damian Allen

Current Risk		Target Risk
9 Likelihood Impact	<p>Current Position: The DCST is challenged at regular performance monitoring fora, on a monthly and quarterly basis at all levels of senior management across both organisations. A commentary provided by the DCST and PIs and quality assurance is challenged.</p> <p>Mitigating Actions: Areas of concern are escalated or reported on an exception basis to higher level Boards. Current areas of risk are:-</p> <ul style="list-style-type: none"> • Social Care demand management • Quality of case files; • Numbers of CIN without plans; • Placement policy and costs; <p>these issues are being pursued with the DCST.</p>	6 Likelihood Impact

Without effective influence and engagement with the Sheffield City Region, there is a threat that Doncaster does not achieve economic potential benefit from the devolution deal

Peter Dale

Current Risk	Current Position:	Target Risk
<p>9</p>	<p>Doncaster Council and a number of our Partners are intrinsically linked into the Governance Structures for Sheffield City Region. Establishing ourselves has founding members of the various Sheffield City Region Boards is essential if we are to influence regional policy, strategy and funding allocations. The safeguards we have in place as a collection of South Yorkshire Combined Authorities provides assurance that any devolution deal for Doncaster does not have a negative impact on our communities and residents.</p> <p>Mitigating Actions:</p> <ul style="list-style-type: none"> The drafting of the Sheffield City Region Economic Plan (SEP) requires endorsement by the South Yorkshire Combined Authority – actions or policy statements that do not correlate or conflict with the current direction of travel for Doncaster would be challenged and altered accordingly. Doncaster Council continues to ensure the right and appropriate representation at the various SCR boards/ meetings. 	<p>9</p>

Failure to respond adequately to borough emergencies or mitigate effectively against the effects of extreme weather conditions e.g. flooding.

Peter Dale

Current Risk	Current Position:	Target Risk
<p>8</p>	<p>There has been no change at Q1 from the previous comment below</p> <p>This risk has been reviewed and is considered to remain appropriate. The Council's plans for preparedness and business continuity continue to be reviewed and maintained. The plans and arrangements have been rehearsed with partners from across South Yorkshire and a recent assessment of DMBC's emergency response capabilities by the Cabinet Office has demonstrated a high level of preparedness and compliance with Government expectations for Civil Contingencies.</p> <p>Mitigating Actions: A series of interactive Doncaster Council Corporate Exercise are being developed for 2016/17 which will involve all a partner agencies and organisations. Work continues to embed flood response awareness at a strategic level. Currently reviewing all Business Continuity Plans and responses.</p>	<p>15</p>

Failure to identify and manage Health and Safety risks

Peter Dale

Current Risk	Current Position:	Target Risk
<p>8</p>	<p>The Corporate Health and Safety Team are continuing to support the development and delivery of health and safety training throughout the borough. Across the authority over 90% of all people managers have undertaken the appropriate courses in the last three years. Those remaining are booked on or will be booked on the next available health and safety for manager & rsquo;s course.</p> <p>Mitigating Actions: From September 2016 Corporate Safety will nominate a lead & rsquo; adviser to work exclusively with each directorate. Each individual adviser will be available to assist and provide guidance to all levels of management working within the directorate and help to monitor health and safety arrangements to ensure compliance with legislation and council policy.</p>	<p>8</p>

Failure to implement the Council's key borough objectives in partnership

Simon Wiles

Current Risk	Current Position:	Target Risk
<p>6</p>	<p>The key Borough partnership objectives involve long-term strategic plans for improving the quality of life in Doncaster for residents, visitors and people considering moving, working or investing here. Technical strategies and delivery plans are overseen by Partnership Boards organised around four overarching key themes; ■ Children, Young People and Families ■ Economy and Enterprise ■ Health and Well-Being ■ Safer and Stronger Communities. Partnership Board plans have all been reviewed during 2016/17 and Team Doncaster are all part of the performance monitoring framework that was introduced in February 2016.</p> <p>Mitigating Actions: A strong governance and audit process is in place to ensure that internally and externally, partnership plans, special projects and initiatives which are carried out by organisations, teams and individuals, are regularly reviewed and overseen by respective Partnership Boards and internal DMBC governance/audit arrangements. This process provides regular performance scrutiny and challenge to ensure work is kept on track for measurable impact on our identified priorities.</p>	<p>6</p>

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17th November, 2016

To the Chair and Members of the Audit Committee

INTERNAL AUDIT TEAM – FRAUD RISK REGISTER AND COUNTER FRAUD INITIATIVES REPORT

EXECUTIVE SUMMARY

1. This report builds on the annual Counter Fraud Report submitted to Audit Committee in July 2016 and is intended to give the Audit Committee:
 - an understanding of the fraud risks that the Council is currently exposed to;
 - an assessment of the Council's current compliance with the CIPFA Code of Practice for Managing Fraud and Corruption;
 - an understanding of the innovative work being undertaken in the field of data matching and data analytics to prevent and detect fraud for the Council.
2. The Council has identified, 30 high level types of fraud (fraud risks) to which it is exposed. Inherent risk ratings have been assessed for all of these risks and work is underway to agree final residual risk ratings for all risks. New and emerging fraud risks continue to emerge all the time, particularly in the field of cyber-crime / cyber-fraud. Maintaining resilience to these risks is key to protecting the public purse and the interests of the Council and the citizens that it serves.
3. The Council has assessed itself as compliant with the Code of Practice on Managing Fraud and Corruption. 2 actions remain ongoing at the time of this report but are not considered to fundamentally affect compliance with the code. These actions are to: finish the assessment of residual fraud risk (see above) and to launch the previously delivered face to face fraud training undertaken in February / March 2016 in electronic format to the rest of the Council. These actions are considered to be progressed to a sufficient stage to meet the requirements of the code or are covered by (in the case of the electronic training) by other training provisions delivered in the last 12 months.
4. The Council, via Internal Audit Services, undertakes data matching and data analysis to help to analyse risks, particularly fraud risks, and to detect fraud and error. These were covered in the Counter Fraud Report for 2015/16 brought to the Audit Committee in July 2016. This kind of work and analysis makes use of some of the extensive data sets held by the Council to identify fraud, error and other anomalies. This work is innovative and different to normal audit activity and attempts to make the best use of developments in technology to benefit the Council and its citizens by ensuring the public purse is protected and in maximising opportunities to detect fraud as it occurs.

EXEMPT REPORT

5. This report is not exempt

RECOMMENDATIONS

6. The Audit Committee is asked to support the draft fraud risk register for the Council, support further developments in the field of data matching and data analytics and note the Council's assessment of its compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

7. Fraud and corrupt activity divert scarce resources away from Council services. They cost the tax payer money that could have been used for the benefit of local citizens. Maintaining a strong counter fraud stance helps to minimise fraud losses and deter fraudulent activity

Background

8. Doncaster Council aims to foster a zero tolerance approach to fraud and seeks to educate staff on identifying fraudulent behaviour, educate managers to assess the risks of fraud in their areas and to detect and investigate fraud where it is identified. The Council's commitment to combatting fraud and corruption is contained in the Anti-Fraud, Bribery and Corruption Framework (AFBC Framework) which is approved by the Audit Committee.

OPTIONS CONSIDERED AND REASON FOR RECOMMENDED OPTION

9. Not applicable

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>The safeguarding of public monies and the recovery of overpayments (fraud and error), ensures that monies are available to fund essential services and reduce the pressure on the Council's finances.</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>The safeguarding of public monies and the recovery of overpayments (fraud and error), ensures that monies are available to fund essential services and reduce the pressure on the Council's finances.</p>

	<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> 	None
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	None
	<p>Council services are modern and value for money.</p>	<p>The safeguarding of public monies and the recovery of overpayments (fraud and error), ensures that monies are available to fund essential services and reduce the pressure on the Council's finances.</p>
	<p>Working with our partners we will provide strong leadership and governance.</p>	<p>Working with our partners to combat fraud and corruption is important to protect the overall public purse. The Council works with St Leger Homes to combat tenancy fraud and actively participates in the National Fraud Initiative to identify and combat fraud across the public sector.</p>

RISKS AND ASSUMPTIONS

10. Failure to address fraud and corruption risks causes:-

- reputational damage to the Council from fraud and corrupt practices;
- diverts scarce resources away from priority services to the detriment of our citizens

LEGAL IMPLICATIONS

11. The Council is obliged to minimise the loss of resources resulting from fraud and corruption. It is also obliged to publish the data in the Annual Fraud Report under the requirements of the Transparency Agenda. This information will be published on the Council's website.

FINANCIAL IMPLICATIONS

12. Failure to minimise and effectively deter and combat fraud and corruption detracts from Council funds and therefore Council service delivery.

HUMAN RESOURCE IMPLICATIONS

13. None

TECHNOLOGY IMPLICATIONS

14. None

EQUALITY IMPLICATIONS

15. Every citizen in Doncaster is affected by fraud in the UK economy both as a result of fraud committed against them and fraud committed against the Council. Whilst every citizen is affected, fraudsters generally target citizens with protected characteristics such as the young, the elderly, those with mental health issues or those with learning disabilities.

CONSULTATION

16. None

BACKGROUND PAPERS

17. The Council's Anti-Fraud, Bribery and Corruption Framework

18. The annual Counter Fraud Report presented to the Audit Committee in July 2016

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Appendices

Appendix 1 – Internal Audit – Counter Fraud Report – Fraud Risks Addendum

**Steve Mawson
Chief Financial Officer
& Assistant Director of Finance**

Internal Audit – Counter Fraud Report – Fraud Risks Addendum

CONTENTS

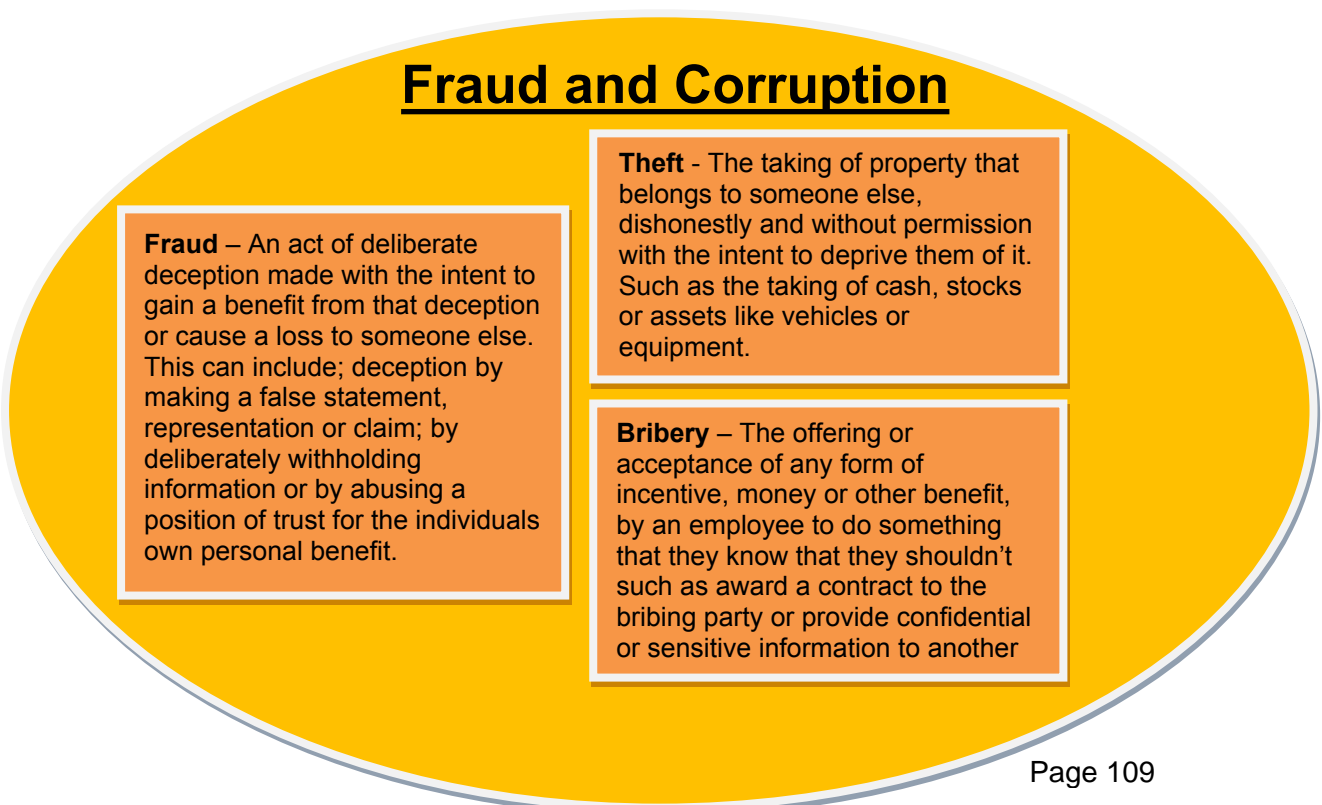
1. Introduction	7
2. What is fraud and corruption?	7
3. The Council's strategy for combatting fraud and corruption	8
4. Acknowledging fraud risks	8
5. Assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.....	10
6. Counter Fraud Activity – Data Matching and data analytics	12
7. Reporting Concerns.....	14
8. Appendix A	16
9. Appendix B	30

1. Introduction

- 1.1. This report is produced by Doncaster Council to raise awareness of the work the Council undertakes to manage the risk of fraud and corruption. This report is a supplementary / addendum report to the Counter Fraud report brought to Audit Committee in July 2016.
- 1.2. Doncaster Council employs over 9,700 people (including authority schools) and has a yearly revenue gross expenditure of over £660m and capital spending of over £133m (these figures are from the 15/16 Draft Statement of Accounts).
- 1.3. Like any organisation of this size, the Council can be vulnerable to fraud and corruption, both from within and from outside the organisation. The Council aims to minimise its risk of loss due to fraud and corruption recognising that any loss incurred is carried by the honest majority and that it has a duty to the public to protect the resources under its control.
- 1.4. The Council complies with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption released in late 2014. This report contains:
 - 1.4.1. An identification and assessment of the fraud risks that the Council is exposed to at inherent level (Appendix A)
 - 1.4.2. An assessment of the Council's counter fraud arrangements in line with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (Appendix B)
 - 1.4.3. Details of Internal Audit led initiatives undertaken to prevent and detect fraud using techniques such as data matching and through partnership working.

2. What is fraud and corruption?

- 2.1. Fraud and corruption is the general name given to any acts of fraud, theft or bribery that occur or are attempted. Fraud, theft and bribery are each defined in law.



- 2.2. All of these acts involve 2 key elements; dishonesty and personal benefit or gain. Personal gains don't need to involve money. A personal benefit or gain can be goods or services received or even escaping a penalty or fine. While most fraud is low level, some fraud is as a result of serious organised crime, such as insurance fraud.
- 2.3. It should be noted, that whilst the Council has a zero tolerance approach to fraud and corruption from both within and externally, it is impossible to stop fraud from occurring due to its clandestine nature.

3. The Council's strategy for combatting fraud and corruption

- 3.1. The Council has developed and published its own strategy for combatting fraud and corruption, the Anti-Fraud and Corruption Framework. This was based on current best practice and is compatible with the Department for Local Governments Fighting Fraud and Corruption Locally Strategy 2016-2019.
- 3.2. Doncaster Council's approach to tackling fraud and corruption is divided into 3 main areas of focus, acknowledgement of our risks, prevention and detection work and the pursuit of those that abuse the public purse whenever it is in the public interest to do so.



Fighting Fraud and Corruption Locally 2016-19

4. Acknowledging fraud risks



- 4.1. The shape and activities of the Council are constantly changing to keep pace with the changes in economy, society and political environmental within the UK. These changes in activity represent a different risk environment both in terms of business risks and in fraud risks that must be taken into account if we, as a council, are to effectively tackle fraud and corruption.
- 4.2. Acknowledging fraud risks is key to the management of fraud. Without a sound understanding of the risks that the Council faces, it is impossible to ensure that the Council has a robust approach to managing these risks and mitigating them wherever possible.
- 4.3. In order to make sure that fraud risks are understood, a significant piece of work has been undertaken in the last 12 months regarding the Council's Fraud Risk Register. The Council applied for, and was granted funding in 2014/15 (into 2015/16) in order to undertake a project to improve fraud awareness at the Council. This project was undertaken in conjunction with Rotherham Council. The services of an external specialist consultant from Moore Stephens were jointly procured in order to construct a fraud risk register for both councils and deliver fraud risk awareness training to senior managers and elected members.

- 4.4. The above piece of work has now completed and a copy of the summary fraud risk register is shown at Appendix A. This register shows the fraud risks that the Council is exposed to at inherent level only. An exercise was undertaken using the external consultant and research to identify the main fraud risks that the Council is exposed to and rate them at the inherent level. This is essentially the risk exposure that the Council is exposed to without putting any controls in place to mitigate or transfer the risks. An exercise is underway to assess final residual risks and the results of this will be added to the Council's Strategic Risk Register.
- 4.5. Because this report and its appendix are public documents, there is no intention to publish the residual fraud risk register in detail in the public domain. This is because the publication of residual risks in terms of fraud, in itself presents a fraud risk. Residual information, particularly the identification of gaps and high risk areas, could be used to target Council weaknesses and development areas. Instead, the overall risk of fraud (combining all fraud exposures) will be managed as a corporate / strategic risk on the Strategic Risk Register that is regularly discussed at Audit Committee with individual risk exposures being disseminated and monitored annually by service managers within the Council's directorates.
- 4.6. The fraud risk register identifies 30 main summary risks (each with varying numbers of sub risks and with different risk exposures in different Council areas). The overall risk level is considered to be a medium risk and is not considered to be unusual for an organisation of this size.
- 4.7. The most substantial risk that the Council faces is that of cyber fraud. Technological advancements have, over the last 10 years, provided fraudsters with a powerful all reaching series of tools with which to exploit the vulnerabilities of individuals, businesses and councils alike. Cyber fraud and cyber-attacks represent the biggest and fastest growing threat to the Council. The latest attacks take the form of ransomware. This is a form of cryptovirology. Users are directed to click inappropriate links in spam email messages or on infected websites that, when clicked, download malware designed to spread through the computer downloading it to its network connections and encrypt files so that they cannot be accessed without the payment of a ransom. Once installed on the network the virus quickly spreads to lock out all files. Whilst the network can be "restored" the resulting loss of data and down time represents a big risk to the Council. In order to combat these risks and minimise any losses from any successful attack the Council's ICT Team has developed a Cyber Security Incident Response plan.
- 4.8. The summary version of the fraud risk register is provided for review at Appendix A. Headline inherent risk exposures are plotted on the heatmap at the top of the next page. 29 risks are managed by the Council, however, the housing fraud risk is managed by St Leger Homes and so does not appear on the heatmap (next page).

- finalising the fraud risk register with agreed residual risk assessments to enable the regular monitoring and consideration of fraud risks to be included as part of the Council's overall risk management activities. Again this is not considered to significantly affect compliance with the code as risks have been identified and discussed and are being managed with controls in place. Completing the residual assessments will ensure that this can be effectively demonstrated.

5.4. Overall, it is the opinion of this report that the code is complied with and that appropriate arrangements are in place to manage the risk of fraud and corruption within the Council.

6. Counter Fraud Activity – Data Matching and data analytics

6.1. Preventing fraud through the use of robust internal controls is a function of management throughout the Council and forms the Council's first line of defence. Robust governance arrangements and policies form the second line of defence instructing and controlling how the Council governs its arrangements and expects its business to be carried out. Internal audit forms the third line of defence and adds value by ensuring that the first 2 lines of defence are robust and are working effectively.

6.2. Internal Audit supports the prevention, detection and pursuit of fraud through various activities on the internal audit plan and this supplements other counter fraud activities provided in other areas.

6.3. The counter fraud elements on the annual audit plan for 2016/17 are:

Counter Fraud Activities	Days Allocated
Blue Badge - Anti Fraud Review	10
Business Doncaster - Loans and business support - Anti-Fraud and Financial Administration Review	16
Continual Analytics - Payroll to creditor matching	10
Counter Fraud Training and Money Laundering Training	10
Data Matching	80
Declarations of Interest - Counter Fraud Management	10
National Fraud Initiative	15
Reactive Fraud Investigations	135

6.4. In addition to the above dedicated activities, anti-fraud controls are also considered during most internal audits.

Data Matching Initiatives

6.5. Internal Audit is increasingly using whole populations / datasets in its testing work and as data sets become more and more available has been considering the data available, its quality and usability and whether it can be used in an anti-fraud or fraud detection capacity. This essentially maximises the Council's ability to detect fraud whilst minimising the cost of input, some of which can be automated to save time and money. Data matching exercises review data sets to either detect anomalies within the data (through information analysis and data analytics) or to detect anomalies by cross matching the data with another source to identify conflicts. These are both done to identify anomalies worthy of investigation that are reviewed and investigated where necessary.

- 6.6. Data matching can be a complicated process as false positives (anomalies that are detected that are not fraud) can be numerous due to (mainly) data quality issues. Refining the cross matching / analysis so that it produces the best quality results is a long process but one ultimately worth it with the ultimate aim of automating the production of the anomalies reports so that they are produced monthly or in real time for investigation thereby detecting fraud as early as possible and minimising it.
- 6.7. Data analysis techniques (for detecting anomalies within a single data set such as records or transactions outside of expected dates / tolerances etc) can ultimately be automated too. The Internal Audit team uses analytics software as part of its audit toolbox. This system is capable of running “stored procedures” (a series of pre-stored tests for a specific defined data set) and running them to extract items worthy of note thereby automating to the process of extracting anomalies moving forwards.
- 6.8. The Data Protection Act specifies that data must only be collected and used for specific purposes and that it cannot be processed outside of the purpose for which it is collected except in specific circumstances or where there is a clear public interest to do so. In designing out internal data matching activities, this is considered in detail and additional guidance sought from the Data Protection Officer to ensure that these activities remain within the law. Specific fair processing notices for the National Fraud Initiative (an externally run data matching initiative) are held on the Council’s internet site along with notices stating that the Council participates in internal data matching initiatives in order to protect the public purse.
- 6.9. Specific matching exercises are given below. The results of some of these exercises were reported in the Annual Counter Fraud Report.-

Initiative	Details
Payroll to creditor data matches	<p>These matches are undertaken on behalf of both the Council and St Leger Homes. These matches are automated by the Council’s AP Forensics System. The system matches creditor names, addresses, and bank details with details held on the payroll system. The matching process identifies individuals who work for the Council and receive creditor payments by one or more of the following criteria: Name, address, bank details, proximity (the process is capable of identify employees who live within the same postcode as a supplier). This process is also used to identify multiple employees being paid via the same bank account (in order to detect potential ghost employees, although there are legitimate cases where a couple use joint bank accounts).</p> <p>This process has yielded good results so far and is identifying possible conflicts of interest. The results of completed investigations are reported in the annual Counter Fraud Report.</p> <p>The process will be refined over the next 6-12 months in an attempt to reduce the number of false positives (false matches) highlighted by the programme. These are mainly caused by the fact that foster care payments are being made through the creditors (P2P) system. These are being identified as potential conflicts / issues for investigation but do not usually represent a risk to the Council and need to be excluded from the programmes routine or otherwise removed from the exercise.</p>
Creditor duplications matching	<p>The same software above is used by the Accounts Payable Team to identify invoices that are potentially being paid twice. These are worked through by the Accounts Payable Team on a weekly basis to identify and stop duplicated payments before they happen.</p>
Other creditors testing	<p>The AP Forensics system as an associated fraud module accessible to Internal Audit that identifies further anomalous transactions, such as</p> <ul style="list-style-type: none"> • invoices that do not follow previously seen numbering methodologies (e.g an invoice number A1002 when normal invoices for the supplier follow the mask ABC-12023-39485), • multiple suppliers with the same bank account,

Initiative	Details
	<ul style="list-style-type: none"> • invalid supplier VAT registration numbers • high value invoices that do not match the pattern or regularity of previous transactions for that supplier • suppliers that have not been used for lengthy periods • changes of supplier bank details • etc <p>Evaluations are being undertaken on these matching exercises to determine whether these need to be refined and determine the frequency that these need to be reviewed.</p>
Joint council house tenancies receiving single persons discount	This match is yet to be undertaken but will match housing tenancies where there are jointly listed tenants to single persons council tax records. This will be undertaken in order to highlight potential single persons discount fraud or possible data quality issues within housing tenancy information.
Purchase card transactions to employee working hours	<p>This data match takes payroll information and compares it to credit card information in order to identify transactions made on non-working days (of the card holder) or transactions out of normal working hours. These are done to highlight cards that may be being misused.</p> <p>Unusual spending patterns analysis is currently under development using the audit analytics software and this will be used to identify unusual purchases both in terms of type and frequency.</p> <p>Data from the purchase cards provider has changed during the year as the contract moved to a new provider. This has meant that the process needs to be re-developed to ensure that the data matching can resume on a regular basis.</p> <p>A trial pilot exercise by AP Forensics is likely to take place next financial year to cross match purchase card and creditor information in an attempt to identify transactions paid by both methods. This pilot, once announced, will be reviewed with a view to participating in it.</p>

6.10. Other possible initiatives include:

- Matching pool car usage to mileage claims submitted to detect fraudulently or erroneously claimed mileage
- Matching payroll information to debtors information to identify debts owed by staff (this is an initiative that has been undertaken at other local authorities in order to target recovery action)
- Matching overtime and additional hours claims to vehicle usage records (where the individual uses a vehicle) to verify additional work undertaken.

6.11. Please note that not all anomalies identified will be fraud or error. It is important that when starting such initiatives that an open mind is kept and that all possibilities to explain the anomaly are explored before a final conclusion is reached.

6.12. Further initiatives are in development but are not yet sufficiently developed to list above. Please note that advice from the service area and Data Protection Officer will be sought before any match is undertaken and notices, if appropriate and necessary are issued before any data is processed.

7. Reporting Concerns

7.1. If you have any concerns, please report your suspicions as quickly as possible together with all relevant details. You can report any concerns to the Internal Audit fraud hotline on 01302 862931 or using any of the methods or contacts identified in the Whistleblowing Policy.

7.2. Alternatively you may prefer to put your concerns in writing to the: -

Head of Internal Audit
Internal Audit Services,
Civic Office,
Waterdale,
Doncaster,
DN1 3BU

Please mark the envelope — “CONFIDENTIAL — TO BE OPENED BY THE ADDRESSEE ONLY”.

7.3. The Council would prefer you not to provide information anonymously as any subsequent investigation could be compromised if we cannot contact you to help gain a full understanding of the issues. However, we will still consider anonymous information that is received. All reported suspicions will be dealt with sensitively and confidentially.

7.4. If you wish to report any suspicions in relation to Benefit Fraud please contact the team on their benefits fraud hotline on 01302 735343 or complete the online form “Report a Benefit Cheat “. This can be found on the Council’s website.

8. Appendix A

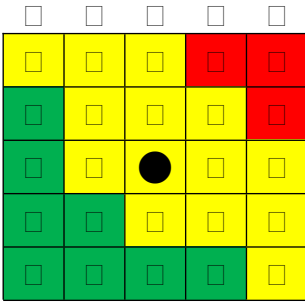
Appendix A - Fraud Risk Register

This risk register shows summary inherent level fraud risks. It is not intended to show the controls in place to mitigate these risks or highlight the assessed residual risk rating on these risks. This is because the publishing of controls or weaknesses in a public document could expose the Council to targeted financial loss / frauds in those areas identified.

Each summary risk may contain a number of sub risks. Each of these will have a different risk exposure depending on the risk itself and the particular area that it is applicable to. For example there are different grants that the Council uses and gives to individuals. Each of these will have a different risk exposure. In order to simplify the risk register for publishing, risks have been grouped together and the highest risk rating of the sub risks shown.

<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 	<p><u>FRR-CB - Corporate Bribery</u></p> <p>Sub risk Failure to prevent bribery (corporate bribery)</p> <p>The Council fails to take appropriate steps to prevent bribery and is held accountable by law for failing to prevent bribery. This is an offence under the law and is punishable by prison sentence</p> <p><u>Impact / Effects</u></p> <p>Legal Custodial sentence</p> <p>Embarrassment National media interest</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 	<p><u>FRR-B - Bribery</u></p> <p>Sub risk Bribery</p> <p>Officers or councillors accepting bribes to act improperly in order to influence council policy, procurements, processes or procedures for the benefit of themselves or another OR officers or councillors offering bribes to influence others to act improperly for their own or the Council's benefit.</p> <p><u>Impact / Effects</u></p> <p>Financial Financial loss / contracts more expensive / poor value for money</p> <p>Legal Custodial sentence</p> <p>Embarrassment National media interest</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 	<p><u>FRR-GFA - Grant Fraud (against the Council)</u></p> <p>Sub risk False information to secure grant funding</p> <p>External parties provide false or inaccurate information in order to qualify for grants / loans for which they are not entitled or will use for other purposes. This includes the application for grants by bodies or persons that are false and do not actually exist.</p> <p>Sub risk Grant mandate fraud</p>

<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Sub risk Grant collusion</p> <p>The grant application is not completed by the applicant or its contacts but by a third party without the applicant's knowledge in order to fraudulently obtain grant funding for which others are held responsible.</p> <p>An applicant colludes with a member of council staff in order to obtain a grant to which they are not entitled for personal use.</p> <p>Sub risk Failure to spend the grant on its intended purpose</p> <p>Applicants deliberately use the grant provided for purposes other than that for which it was intended</p> <p>Impact / Effects</p> <p>Financial The Council will be unable to fund legitimate grant projects / public service costs increase</p> <p>Community / Other Community impact and improvements are not made. Council and mayoral priorities are not achieved</p> <p>Embarrassment Should grants fraud occur and the public made aware a failure to protect the public purse would cause at least local embarrassment damage</p>																										
<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <table border="1" data-bbox="167 851 470 1120"> <tr><td>Yellow</td><td>Yellow</td><td>Yellow</td><td>Red</td><td>Red</td></tr> <tr><td>Green</td><td>Yellow</td><td>Yellow</td><td>Yellow</td><td>Red</td></tr> <tr><td>Green</td><td>Yellow</td><td>Yellow</td><td>Yellow</td><td>Yellow</td></tr> <tr><td>Green</td><td>Green</td><td>Yellow</td><td>Black</td><td>Yellow</td></tr> <tr><td>Green</td><td>Green</td><td>Green</td><td>Green</td><td>Yellow</td></tr> </table> <p>FRR-GFB - Grant Fraud (by the Council)</p> <p>Sub risk Council misuse of ring-fenced grants</p> <p>Ring-fenced grants given to the Council are used for purposes other than that for which they were intended. (NB for non-ring-fenced grants, this would not be a breach of the grant conditions)</p> <p>Impact / Effects</p> <p>Financial Claw back from the funding provider</p> <p>Embarrassment Should grants fraud occur and the public made aware a failure to protect the public purse would cause at least local embarrassment damage</p>	Yellow	Yellow	Yellow	Red	Red	Green	Yellow	Yellow	Yellow	Red	Green	Yellow	Yellow	Yellow	Yellow	Green	Green	Yellow	Black	Yellow	Green	Green	Green	Green	Yellow	
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<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <table border="1" data-bbox="167 1366 470 1635"> <tr><td>Yellow</td><td>Yellow</td><td>Yellow</td><td>Red</td><td>Red</td></tr> <tr><td>Green</td><td>Yellow</td><td>Yellow</td><td>Yellow</td><td>Red</td></tr> <tr><td>Green</td><td>Yellow</td><td>Yellow</td><td>Yellow</td><td>Yellow</td></tr> <tr><td>Green</td><td>Black</td><td>Yellow</td><td>Yellow</td><td>Yellow</td></tr> <tr><td>Green</td><td>Green</td><td>Green</td><td>Green</td><td>Yellow</td></tr> </table> <p>FRR-GFCP - Concessionary pass fraud</p> <p>Sub risk Discretionary Transport Passes (Schools Passes)</p> <p>External parties provide false or inaccurate information in order to qualify for passes to which they're not entitled.</p> <p>Impact / Effects</p> <p>Financial Minor financial impact</p> <p>Embarrassment Local media interest only</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	Yellow	Yellow	Yellow	Red	Red	Green	Yellow	Yellow	Yellow	Red	Green	Yellow	Yellow	Yellow	Yellow	Green	Black	Yellow	Yellow	Yellow	Green	Green	Green	Green	Yellow	
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FRR-BBF - Blue Badge Fraud

Sub risk **Blue Badge Application Fraud**

False or exaggerated information submitted in order to secure a blue badge permit

Sub risk **Blue badge - inappropriate usage**

The use of blue badges by users not entitled to use them and without the accompaniment of the badge holder

Sub risk **Blue badge - Deceased usage**

Blue badges are used or sold on after the death of the badge holder

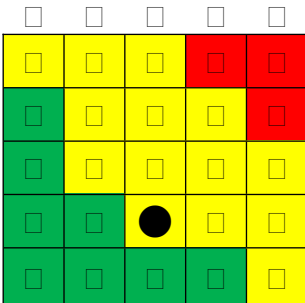
Sub risk **Fake or amended blue badges**

Blue badges in use are fake or have been amended (e.g. dates extended)



Impact / Effects

- Financial Reduced income from car parking fees
- Embarrassment Local and regional media interest in blue badge fraud due to the social impact in that spaces are not available for those that need them
- Community Impact on a local community (disabled individuals)



FRR-ML - Money Laundering

Sub risk **Money Laundering**

The Council and its cash handling arrangements are abused by criminals wishing to launder money. This can include the payment of bills in cash and then requesting a repayment because bills have been "overpaid" in order to launder monies and make them look legitimate.



Impact / Effects

- Legal Regulatory sanctions could be imposed on the Council or individual employee if certain measures have not been implemented and executed.



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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FRR-CF - Cyber Fraud

Sub risk **Cyber crime systems access - Externally hosted systems**
 Cyber crime - unauthorised access to council systems in order to syphon funds, obtain sensitive personal, council or commercially sensitive data or data relating to the general public for personal gain by the fraudster

Sub risk **Vishing**
 Vishing - the use of telephony systems by external parties to obtain personal or sensitive information that they can use for identity theft or other type of fraud

Sub risk **Unauthorised systems access by insiders for personal gain**
 Unauthorised systems access or data theft by insiders for personal gain

Sub risk **Phishing / Social Engineering Frauds**
 Phishing for personal information by cyber attackers for personal gain by email or by using other known data about an individual such as their subscriptions, name and likes to trick users into believing the email is from a legitimate source to obtain personal information for their own ends

Sub risk **Malware / Trojans and Ransomware**
 The introduction of malicious software via spam emails and spoof websites or hacked legitimate websites to disrupt services by damaging data or to extort monies from the Council after encrypting data (ransomware)

Sub risk **Phreaking**
 The hacking of telecommunication (VOIP) systems in order to get free calls or run up premium rate phone bills that give the fraudster income

Sub risk **Data Theft - Paper Records**
 The theft of or destruction of paper based records for personal gain.

Sub risk **Electronic Data Theft (not hacking)**
 The theft of electronic data from within by electronic means including: - Key loggers and steganography

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Impact / Effects

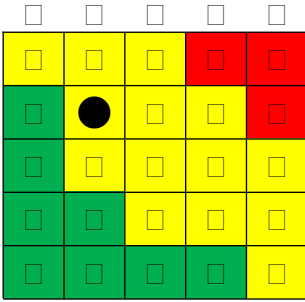
Financial Potential financial loss for the authority in terms of ICO fines should any breach be traced to the Council or costs in terms of Council server down time from service interruption

Disruption Potential services disruption in excess of 1 week

Embarrassment Minimum regional media interest should the Council be found at fault for releasing information and as a result of any financial or other impact to a private individual

Privacy The details of several people / all individuals are compromised

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FRR-BF - Benefits Fraud

Sub risk Failure to report a change in circumstances

Individuals deliberately fail to declare that they have a change in circumstances that impact negatively on a benefit they receive from the Council.

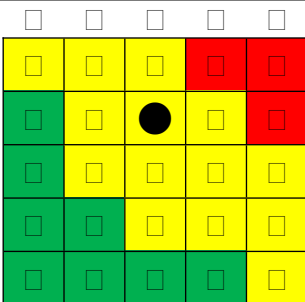
Sub risk Benefits obtaining discounts using false or inaccurate / incomplete information

External parties deliberately fail to declare that they have a change in circumstances that impacts negatively on a benefit they receive from the Council.

Impact / Effects

Financial - Claims for housing benefits are higher than they should be (these costs are paid by the Government) but there are financial implications for the Council in terms of recovering overpayments and financial costs in terms of fraud recovery

Financial



FFR-CTF - Council Tax Fraud

Sub risk Failure to report a change in circumstances

Failing to report a change in circumstance that could result in increased / continued discounts to individuals and therefore lost income from the tax payer

Sub risk Fail to register for Council Tax

Failure to register a property that should be subject to Council tax

Sub risk Single persons discount fraud

Fraudulently claiming to be living alone or with only exempt individuals to gain a reduction in council tax (by citizens)

Sub risk Empty Property Rates

Reporting properties as occupied in order to reduce council tax liabilities under the local council tax scheme

Impact / Effects

Financial Reduced council tax collections resulting in a reduction in the overall spending power of the Council.

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FRR-HRPF - HR / Payroll Frauds

- Sub risk** **Falsification of expenses**

Falsification of expenses/receipts to claim more than is due for example claims for journeys that were not undertaken, inflated expense claims etc
- Sub risk** **False claims for additional hours / overtime**

False or inflated claims for additional hours worked or overtime worked
- Sub risk** **False sickness absences**

False sickness absences or working in other jobs whilst on sick leave from the Council
- Sub risk** **Expenses fraud - pool car mileage**

Employees claiming for personal mileage when using pool cars
- Sub risk** **Flexitime**

Abuse of the flexi time system - falsely claiming hours when the individual has not worked or exaggerating claims for hours in order to obtain extra time off or to maintain pay whilst not working the required hours.
- Sub risk** **False identity documentation/references/work history/qualifications/right to work visas**

False identity documentation/references/work history/qualifications/right to work visas resulting in inappropriate employment
- Sub risk** **Failure to declare something of relevance**

Failure to declare something of relevance (i.e. conflict of interest, disqualified director, unspent criminal conviction etc. on a job application etc.) resulting in an inappropriate employment
- Sub risk** **Ghost Employees**

The creation of false employees either by managers or directly by payroll provider employees to extort monies from the Council
- Sub risk** **Agency - false timesheets**

False or exaggerated payments for agency employees either by the agency individual or in collusion with a Council manager
- Sub risk** **Ghost Agency Staff**

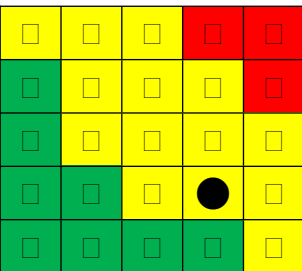
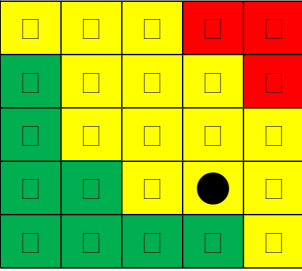
Payments for agency staff who do not exist or who have ceased to work for the Council

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Impact / Effects

Financial Increased / unnecessary financial cost to the Council

<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>Embarrassment Reputation is damaged at least locally by employing someone under false pretences</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>Legal The law is breached by employing someone with no right to work in the UK</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p><u>FRR-IF - Impersonation Frauds</u></p>
	<p>Sub risk Impersonation of council employees</p> <p>External threat - individuals posing as council employees for the pursuit of fraud and/or other criminal activity (against Doncaster citizens)</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>Sub risk False information to obtain legal documents</p> <p>Provision of false information to obtain legal documents (contrived marriages/birth and death certificates etc.)</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p><u>Impact / Effects</u></p> <p>Health and Safety Safety risks to the public in the event of employee impersonation</p> <p>Financial False legal documents may be used to perpetrate additional frauds against the Council</p> <p>Embarrassment Local media interest likely / Local Embarrassment damage if the Council is believed to have purported the act even though the Council was impersonated</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>Legal Possible regulatory sanctions</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p><u>FRR-FF - Financial Frauds</u></p>
	<p>Sub risk Imprest accounts - expenditure</p> <p>Imprest accounts - expenditure vouchers completed for current service users who don't actually request cash, with the money pocketed by the employee / imprest accounts are used to purchase personal items (non-business expenditure)</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>Sub risk Purchase card / fuel card fraud</p> <p>Fuel card / purchase card fraud - Misuse of card for personal expenditure OR purchase cards are subject to fraudulent charges through cloning or chargeback scams</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>Sub risk CEO / Whale type fraud</p> <p>Autocratic Directors and Executives use their power and influence to extort monies from the Council whilst burying any possible challenge</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>Sub risk Cash theft</p> <p>Cash thefts from safes / tills or other cash storage source</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>Sub risk Income - not charging as agreed</p> <p>Giving invalid 'discounts' and/or 'free' services to family/friends.</p>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p><u>Impact / Effects</u></p>

<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	<p>Financial loss of Council funds / monies / income</p> <p>Embarrassment Local media interest possible</p>
<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>  <p><u>FRR-MF - Bank Mandate / Treasury Management Fraud</u></p> <p>Sub risk Mandate Fraud - Council bank accounts</p> <p>External parties target the Council's banking arrangements in order to extort funds from or use the councils bank accounts to fund their purchases</p> <p>Sub risk Mandate Fraud - Changing of creditor bank details</p> <p>External parties target the Council by pretending to be from a legitimate company (a supplier) and change the bank details provided in order to syphon funds to their own bank account</p> <p><u>Impact / Effects</u></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Financial Loss of council funds</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Embarrassment Damaged relationships with council suppliers</p>	
<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>  <p><u>FRR-FA - False Accounting</u></p> <p>Sub risk False accounting</p> <p>Financial accounts are deliberately misleading in order to project a positive image of the Council's financial position or to cover up large losses</p> <p>Sub risk Performance information</p> <p>Council / service performance is deliberately misstated by individuals for personal gain</p> <p><u>Impact / Effects</u></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>Financial The Council hides a deficit position or insolvency</p> <p>Legal Possible government intervention in the Council</p> <p>Embarrassment National media interest possible</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	

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FRR-DDI - Direct Debit Indemnity Fraud

Sub risk Direct Debit Indemnity Fraud

A new type of fraud using the direct debit guarantee. Under the DDG, consumers are entitled to a full refund from their bank (immediately). The banks then retrieve the funds back from the person or organisation collecting the direct debit. The claim is made under an indemnity claim stating that the business / Council has no right to the monies in a "lack of authority claim". Fraudsters are using legitimate accounts that they have taken control of, requesting refunds under the guarantee and then liquidating the accounts leaving the businesses (in this case the Council) out of pocket and unable to find the individual to get back the losses. This form of fraud is more common in automated direct debit authority collections (where there is no end user signature collected to authorise the direct debit form - typically where the relationship is set up on line).

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Impact / Effects

Financial

Direct debits are refunded and are taken back by the bank for unlimited periods (to the start of the direct debit). NB this type of fraud is very new.

Embarrassment

Regional media interest possible in the event of a large loss

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FRR-PF - Procurement Fraud

Sub risk Inflated invoices

External parties inflate invoices in order to receive additional monies or charge VAT for services when they are not VAT registered

Sub risk Duplicate Invoices

External parties submit multiple invoices for payment hoping that they will be paid, thereby double charging for services rendered / goods serviced

Sub risk Overpayment of suppliers when working in collusion with them to extract monies from the Council

Employees collude with suppliers to overcharge the council and split the proceeds.

Sub risk Payments to fictitious suppliers (internal)

Internal staff set up fictitious suppliers in order to extract funds from the Council

Sub risk Payments to fictitious suppliers (external)

External fraudsters send in invoices for companies that do not exist that are "like" other suppliers used in the hope that they will be paid, often after the threat of legal action.

Sub risk Suppliers collude to fix price or divide the market to nominate who will win a contract

Suppliers collude together to price fix goods and services and determine who will win a contract based on their own outside negotiations and to their own interests.

Sub risk False reporting on projects by suppliers

Suppliers falsely report on project performance or schedules in order to access funding earlier / access more funding.

Sub risk Procurement conflict of interest / procurement manipulation

Employees fail to declare conflicts of interest or gifts and abuse their position to award contracts to related companies that benefit their own interests

Sub risk Contract splitting to avoid tender thresholds

Employees split contracts into smaller "chunks" to avoid tender and authorisation thresholds to ensure that they can award a contract to a specified bidder without due process

Sub risk Framework contractors bypassing procurement process

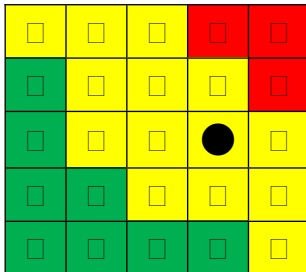
Employees set up unauthorised frameworks or approved suppliers lists to use companies that they favour rather than going through legitimate procurement processes.

Impact / Effects

Financial Increased costs to the Council / poorer value procurements / costs are inflated / remedial works are required and paid for where suppliers go bust after receiving payments for work that they have not completed

Embarrassment Local or regional media interest depending on the scale of the fraud issue

Legal The Council is subject to legal challenge from suppliers



FRR-ST - Theft of Stocks and Stores

Sub risk Stocks are over-ordered with a view to writing them off and profiting from the disposal

Stocks are over ordered by stores employees deliberately in order to write them off and either profit from their disposal or use for their own benefit

Sub risk Theft of stocks

Theft of stocks by employees for their own usage or for re-selling

Sub risk Vehicle and plant theft

Vehicles and plant are stolen

Sub risk Fuel theft

Fuel is stolen from the depot / syphoned on mass from the fuel storage tanks

Sub risk Acquisitions / Disposals

Vehicles and plant are inappropriate purchased or disposed of for personal gain
IT equipment is inappropriately purchased or disposed of for personal gain

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FRR-PLF - Planning Fraud

Sub risk **Obtaining planning permissions through provision of false information**

Those applying for planning permission use false information to obtain planning consent that would otherwise have been rejected

Sub risk **Withdrawing planning applications**

Planning applications are withdrawn to avoid rejection and are resubmitted as new plans in an attempt to change the planning decision

Sub risk **S106 Fraud**

Planning applications containing Section 106 clauses are withdrawn and resubmitted with minor changes in order to attempt to avoid S106 provisions

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Impact / Effects

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Embarrassment Local or regional media interest

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Social Reduction in the number of affordable properties in the borough (S106 frauds)

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Community Adverse effects on a community through the granting of fraudulent planning permission / potential environmental damage

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Financial Financial costs are incurred in correcting damage to land and the environment

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FRR-SCF - Social Care Fraud

Sub risk **Social Care - failure to report changes in circumstance**

External parties deliberately fail to declare that they have a change in circumstances that impacts negatively on social care costs and their contributions towards these costs

Sub risk **Social care - inaccurate / incomplete financial information and hidden assets**

External parties provide false or inaccurate information in order to qualify for support towards their care costs to minimise the cost of their care contributions

Sub risk **Direct payment diversion or misuse of direct payment funds**

Direct payments are misused by those granted them

Sub risk **Social Care Payments to false identities or ghosts**

Individuals requesting care support are false leading to the payment of costs to businesses for ghost citizens or the continued payment of care for deceased individuals

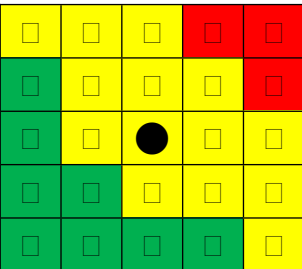
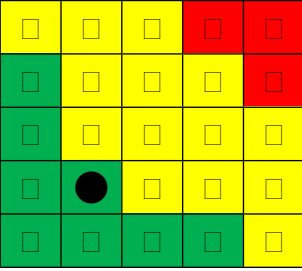
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Financial Financial care costs paid by the Council are inflated / higher than they should be. Council funds for legitimate care fees are reduced

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<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sub risk Insurance fraud - False claims for slips and trips Individuals or criminal gangs submit claims for slips and trips that did not occur or exaggerated claims
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					Sub risk Collusion with accident management companies Employees collude with accident management companies to exploit known weaknesses on roads and pavements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Impact / Effects
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Financial Financial costs to the Council in terms of insurance pay-outs are inflated / the Council fails to obtain insurance as a result of an increased risk profile

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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sub risk Placement fraud Individuals and families provide false information about their family and addresses / residency information in order to ensure that they get into the schools that they want to get their children into
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					Sub risk Ghost students Schools and their business managers or head teachers submit inflated pupil number information at census points in order to artificially inflate their budgets
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Impact / Effects
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community Local communities are impacted when schools in the area cannot take local pupils due to places being filled by out of area individuals through fraudulent means
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Financial Additional costs to public purse through inflated census numbers

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FRR-HF - Housing Fraud
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sub risk Subletting Properties are illegally sublet by tenants for personal gain
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Risk transferred to SLHD

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<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>  <p>FRR-CPF - Car Parking Fraud</p> <p>Sub risk Pop-up car parks</p> <p>Unauthorised use of council land to charge car-parking and clamping fees by unauthorised individuals. This fraud defrauds members of the public by individuals purporting to be Council officials.</p> <p>Sub risk Parking permits for residential areas</p> <p>The abuse of residential parking permits by commuters or others for personal gain. This includes the application for and continued use of permits to which an individual is not entitled</p> <p>Sub risk Skimming of income from, or theft of income from car parking</p> <p>Parking attendants or contractors collecting car parking income skim or steal car parking monies (where car park income is due to the Council only)</p> <p>Impact / Effects</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Community Impact on a local community where parking permits / residential area parking is misused</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Embarrassment Local or regional media interest</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Financial Reduced income from car parking activities</p>	
<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>  <p>FRR-IPT - Intellectual property theft</p> <p>Sub risk Intellectual property theft</p> <p>The theft or fraudulent use of intellectual property belonging to the Council for example, proprietary software designs, internally designed training courses etc</p> <p>Impact / Effects</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p>	

<p>Financial</p> <p>Loss of income from the sale of intellectual property</p> <p>□ □ □ □ □</p>																																																			
<p>□ □ □ □ □</p> <table border="1" data-bbox="167 403 470 672"> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> <tr><td>□</td><td>□</td><td>□</td><td>□</td><td>□</td></tr> </table> <p>FRR-RTW - Right to Work</p> <p>Sub risk Right to work fraud (excluding Council employees)</p> <p>False identity documentation/references/work history/qualifications/right to work visas resulting in inappropriate letting of market stalls or business properties</p> <p>Sub risk S17 - No recourse to public funds</p> <p>Those families denied the right to stay in the UK and offered return to their country of origin, request payments under S17 of the Children's Act. By doing so they have the right to appeal against their right to remain decision by the Home Office. In applying they originally had no recourse to public funds. This new type of fraud, elongates their stay in the UK and provides them access to funds to which they are not entitled</p>	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	
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<p>□ □ □ □ □</p> <p>□ □ □ □ □</p> <p>□ □ □ □ □</p>	<p>Impact / Effects</p> <p>Legal Breach of the law regarding right to work in the UK</p> <p>Higher drain on council and government funds as the right to remain is re-challenged without leave. Payments for S17 continue for approximately 6 - 12 months. This risk is more prevalent in the south of England but is spreading further north as councils clamp down on this kind of fraud</p> <p>Financial</p>																																																		

9. Appendix B

Section A – Acknowledge Responsibility

The governing body should acknowledge its responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation.

Guidance Point	Doncaster Council Assessment	Additional Actions Required
<p>A1 The organisation's leadership team acknowledge the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users.</p> <p><i>Additional guidance</i> <i>The organisation has a counter fraud and corruption strategy and policy which is approved and supported by the leadership team and effectively communicated. The responsibility for the management of the risks of fraud and corruption are included in the organisation's scheme of delegation or terms of reference.</i></p>	<p>The Council has an Anti-Fraud and Corruption Framework that was updated July 2015. The version has been checked in 2016 and remains valid. This framework includes a policy, a strategy, the fraud response plan and the prosecutions / sanctions policy. The framework is approved by leadership through the Governance Group and is formally adopted and approved by the Audit Committee (July, 2015).</p> <p>The framework sets out responsive and counter fraud arrangements and responsibilities. A counter fraud element is included within the Internal Audit Plan approved and monitored by Audit Committee.</p> <p>The framework is published on Covalent with other key governance policies and sign off of the policy is required by all managers and budget holders.</p>	<p>None identified.</p>
<p>A2 The organisation's leadership team acknowledge the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance</p> <p><i>Additional guidance</i> <i>The organisation's leadership team supports a counter fraud culture by:</i></p> <ul style="list-style-type: none"> • <i>Providing visible support for counter fraud and corruption activity</i> • <i>Recognising the risk of fraud and corruption and the harm it can cause to the organisation and to those the organisation helps / protects.</i> 	<p>Visible support is provided to the process for all governance documents and processes by the Governance Group which includes the Council's Chief Executive. The AFBC Framework forms part of the key governance policies for the Council along with the code of conduct, money laundering policy, declarations of interest and gifts and hospitality policies etc.</p> <p>The Council has completed assessments for the fraud risk register (appendix A) and includes assessments of the relevant harm caused by rating risks according to the Council's agreed Risk Management Framework.</p> <p>The Code of Conduct and Council's Constitution are based on the "Seven Principles of Public Life".</p>	<p>None identified</p>

	<ul style="list-style-type: none"> • <i>Including reference to counter fraud and corruption activities in the principles of good governance and standards of conduct adopted by the organisation</i> • <i>Ensuring that the organisation is responsive to new fraud and corruption risks</i> • <i>Embedding strong counter fraud controls and systems within the organisation</i> • <i>Providing visible support and resourcing for fraud awareness activity</i> • <i>Supporting counter fraud and corruption training throughout the organisation</i> • <i>Ensuring that other governance papers, strategies and policies include fraud and corruption risks where relevant</i> 	<p>Counter fraud. Specific responsibilities for all staff are included in the AFBC Framework.</p> <p>New fraud risks are assessed as and when they arise. Officers within Internal Audit and Benefits Enforcement keep regularly abreast of new developments in the field and these are included in the Internal Audit Plan and the risk registers updated accordingly. Some of the items on the fraud risk register such as “no recourse to public funds frauds” are emerging fraud risk, as are some of the different types of Cyber fraud risk and a collaborative approach is taken on these with ICT.</p> <p>Counter fraud controls are tested during internal audits and consultation on fraud risks with individual service areas will ensure that controls are checked. Fraud risks are taken into consideration when the audit plan is developed to test areas considered high risk or where controls may have weakened.</p> <p>Fraud training was undertaken for 98 senior managers within the Council and 20 elected members during February and March 2016. This training has been converted into electronic learning material on the Council’s Learning Pool and will be approved by Governance Group before being launched live.</p> <p>Governance papers include fraud risks where applicable but could be further strengthened by the inclusion of specific section in the corporate report format on Fraud Implications rather than relying on the equalities or financial implications area to discuss any relevant risks.</p>	<p><i>Optional improvement</i> – To consider the inclusion of a fraud implications section on the corporate report format to ensure that fraud risks are properly considered and recorded.</p>
<p>A3 Page 134</p>	<p>The governing body acknowledges its responsibility for ensuring the management of its fraud and corruption risks and will be accountable for the actions it takes through its governance reports.</p> <p><u>Additional guidance</u> <i>The code of practice has been formally adopted by the organisation and there is a robust commitment by the governing body to the management of its fraud and corruption risks. Appropriate authority has been delegated to counter fraud professionals.</i></p>	<p>The Council and its leadership and elected members acknowledge responsibility for the management of fraud risks through the AFBC Framework which has been created in line with the Fighting Fraud and Corruption Locally Strategy 2016-2019 and approved on that basis. The AFBC Framework makes reference to this code and the adoption of it.</p> <p>The Council delegates counter fraud to its Audit Team for corporate fraud and counter fraud initiatives with smaller pockets of skills in Benefits Enforcement (for council tax</p>	<p>None identified.</p>

	<p><i>Appropriate resources are provided to ensure fraud and corruption risks are mitigated and the management of risk is reported to the governing body or audit committee.</i></p> <p><i>Job descriptions of senior managers include responsibility for the management of fraud risk.</i></p>	<p>and business rates fraud) and specific auditors within the Direct Payments team dedicated to checking / auditing direct payment claims.</p> <p>The level of counter fraud resource provided corporately is contained within the Internal Audit Annual Plan, the resources for which are signed off and confirmed as adequate in the Annual Report of the Head of Internal Audit as challenged at Audit Committee. Resources for specific initiatives and needs can be made available by the Council's S151 Officer as needed and the use of any available external funding is maximised for such initiatives. (Such funding was used to create the fraud risk register and deliver fraud risk awareness training earlier this calendar year).</p> <p>Job descriptions within Internal Audit make reference to counter fraud and fraud investigations as do those of the specialist areas such as Trading Standards and Benefits Enforcement etc. Responsibilities for other managers are identified within the AFBC Framework that is signed up to by managers across the Council.</p>	
A4	<p>The governing body sets a specific goal of ensuring and maintaining its resilience to fraud and corruption and explores opportunities for financial savings from enhanced fraud detection.</p> <p><i>Additional Guidance</i> <i>There is a clear programme of work to manage fraud and corruption risk with specific goals as set out in the strategy. The work programme includes a formal fraud risk management process, the production maintenance and review of the strategy, formal fraud awareness activity and clear directions on actions to be taken if fraud or corruption is discovered.</i></p> <p><i>The programme of work is regularly reviewed.</i></p> <p><i>Where fraud prevention or detection opportunities are identified that could result in financial savings, the benefits are evaluated.</i></p>	<p>Provision for counter fraud and responsive fraud activities is maintained in the annually approved Audit Plan as monitored and approved by Audit Committee.</p> <p>The plan is maintained throughout the year and new opportunities and changing risks are constantly evaluated and, where necessary, the plan is reviewed and amended. A report on planned changes is taken to Audit Committee to confirm and approve any changes to the plan.</p>	None identified.

Section B – Identify Risks

Fraud risk identification is essential to understand specific exposures to risk, changing risk patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.

Guidance Point	Doncaster Council Assessment	Additional Actions Required
<p>B1 Fraud risks are routinely considered as part of the organisation's risk management arrangements.</p>	<p>The current fraud risk register at Appendix A, was constructed by an external specialist consultant in the field from Moore Stephens LLP. The register was constructed in conjunction with service and other senior managers and with reference to best practice and published fraud indicators.</p> <p>The fraud risks, currently at inherent stage, are due to be reviewed on a directorate basis during quarter 3 2016/17 with a view to agreeing a final agreed residual risk assessment for all risks. Once complete, fraud risks will be monitored under standard Council risk management arrangements and will appear on the Strategic Fraud Risk Register as reported to and challenged by the Audit Committee. As this is currently in progress, it has not been listed as an outstanding action.</p>	<p>None identified.</p>
<p>B2 The organisation identifies the risks of corruption and the importance of behaving with integrity in its governance framework.</p> <p><i>Additional Guidance</i> There are specific links between counter fraud and corruption policies and other ethical policies.</p>	<p>The AFBC Framework is part of the Council's governance arrangements as are the Code of Conduct, Declarations of Interest and Gifts and Hospitality policies. All policies are related (including the Whistleblowing Policy) and are published together on the Council's governance intranet pages.</p>	<p>None identified.</p>
<p>B3 The organisation uses published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposures.</p> <p><i>Additional Guidance</i> Estimates of fraud losses are published. Identification of fraud risks identifies the financial loss should that risk not properly be managed, assists in the calculation of potential savings through preventative work and provides a method for the monetary equivalent of frauds identified where it is not apparent.</p> <p>Fraud loss is measured so that effective year on year comparisons can be made.</p>	<p>Estimated fraud losses are recorded for all fraud related investigations and are based on either:</p> <ul style="list-style-type: none"> • Actual fraud loss incurred • Estimated notional losses (this is particularly the case in housing tenancy fraud where nationally agreed values are in use that represent the cost of housing an average family in temporary accommodation for a year) • Estimated average fraud costs as published in annual indicators such as KMPG's Annual Fraud Indicator or subsequent releases of the Fighting 	<p>None identified.</p>

		<p>Fraud Locally Strategy.</p> <p>Fraud losses are published in the annual Counter Fraud Report presented to Audit Committee.</p> <p>Where frauds are prevented rather than detected, the same methodology (above) is used. Notional values are not routinely assigned to preventative and awareness work such as anti-fraud training due to the fact that these are very subjective and no consistent methodology is in existence between Council's and other public sector bodies on which to base reliable and meaningful comparison in these areas.</p>	
B4	<p>The organisation evaluates the harm to its aims and objectives and services users that different fraud risks can cause.</p> <p><i>Additional Guidance</i> <i>Published reports on detected fraud provide examples of the harm that fraud could cause.</i></p>	<p>The Council's annual Counter Fraud report, examples are given where possible and success cases are published where appropriate.</p> <p>The harm associated with fraud has been taken into account when determining the risk exposures used within the fraud risk register and this is in line with the evaluation methodology within the Council's Risk Management Framework.</p>	None identified.

Section C – Develop a strategy

The governing body formally adopts a counter fraud and corruption strategy setting out its approach to managing its risks and defining responsibilities for action.

	Guidance Point	Doncaster Council Assessment	Additional Actions Required
C1	<p>The governing body formally adopts a counter fraud and corruption strategy to address the identified risks and align with the organisation's acknowledged responsibilities and goals.</p> <p><i>Additional Guidance</i> <i>Aims are clearly linked to the organisations overall strategic objectives and shows how the counter fraud strategy intends to help achieve these strategic objectives.</i></p> <p><i>The strategy includes all proactive counter fraud work including prevention and awareness, detection, investigation, the organisation's response to fraud and the action that will be taken.</i></p>	<p>The Council has formally adopted the AFBC Framework and this forms part of the Council's governance policies. The framework's covering report, as presented to Audit Committee, clearly shows how the report aligns to the Council's key outcomes (as does this report).</p> <p>This framework is reviewed annually and updated as required. The framework was last re-issued in July 2015 and is due for a review in 2017/18. All governance policies are available to all staff on the Council's intranet and a copy is available on the Council Chamber webpages for any member of staff or the public wishing to examine the document.</p>	<p>None identified.</p> <p>Ongoing review of the framework is scheduled for July 2017 (or sooner if new guidance is released).</p>

	<p><i>The strategy includes:</i></p> <ul style="list-style-type: none"> • <i>Expected objectives which are aligned to the aims of the organisation</i> • <i>Timelines with target dates for objectives, frequency of reviews and revision dates</i> • <i>How the success of the strategy is measured</i> <p><i>The strategy is regularly reviewed and is up to date</i></p> <p><i>The strategy is available to all staff</i></p> <p><i>The strategy is linked to fraud policies and procedures and any other relevant policies, procedures and strategies.</i></p> <p><i>The strategy is time limited and explains</i></p> <ul style="list-style-type: none"> • <i>Where the organisation is now</i> • <i>Where it hopes to be at the end of an agreed time</i> • <i>How the organisation is going to get there.</i> 		
C2	<p>The strategy includes the organisation's use of joint working or partnership approaches to manage its risks, where appropriate.</p> <p><i>Additional Guidance</i> <i>The aims and objectives are agreed and recorded on the joint work to be undertaken. The joint work is recorded and responsibilities for each organisation noted. A review process is agreed.</i> <i>Policies, procedures and protocols are agreed in advance and any legal and employee issues are considered, agreed and recorded.</i></p>	<p>The Council liaises with its partners including other local councils, the DWP, St Leger Homes and the Children's Trust as appropriate in individual investigations.</p> <p>The Council and St Leger Homes participate jointly in the National Fraud Initiative and investigate data matches as appropriate.</p> <p>The Council's Internal Audit Team also act as the internal auditors for St Leger Homes and include counter fraud elements within both audit plans. Data matching initiatives between St Leger Homes and the Council form part of both internal audit plans and the aims and objectives of these projects are agreed with all parties as part of the audit brief.</p>	None identified.
C3	<p>The strategy includes both the proactive and responsive approaches that are best suited to the organisation's fraud and corruption risks.</p>	<p>These elements are all covered by the AFBC Framework as approved by Audit Committee.</p>	None identified.

	<p>Additional Guidance <i>Proactive and responsive components of a good practice response to fraud and risk management are set out below:</i></p> <p>Proactive</p> <ul style="list-style-type: none"> • <i>Developing a counter-fraud culture to increase resilience to fraud</i> • <i>Preventing fraud through the implementation of appropriate and robust internal controls and security measures.</i> • <i>Using techniques such as data matching to validate data</i> • <i>Deterring fraud attempts by publicising the organisation's anti-fraud and corruption stance and the actions taken against fraudsters.</i> <p>Responsive</p> <ul style="list-style-type: none"> • <i>Detecting fraud through data and intelligence analysis</i> • <i>Implementing effective whistleblowing arrangements</i> • <i>Investigating fraud referrals</i> • <i>Applying sanctions, including internal disciplinary, regulatory and criminal.</i> • <i>Seeking redress, including the recovery of assets and money where possible.</i> 		
Page 139	<p>The strategy includes clear identification of responsibility and accountability for delivery of the strategy and for providing oversight.</p> <p>Additional Guidance <i>The Audit Committee has oversight of the organisation's strategy to ensure that it meets recommended practice and governance standards and</i></p>	<p>The Audit Committee sees and approves:</p> <ul style="list-style-type: none"> • The AFBC Framework • The annual audit plan • The Whistleblowing Policy • Assessments (like this assessment) of compliance 	None identified

	<i>complies with legislation.</i>	with required standards.	
Section D – Provide Resources			
The organisation should make arrangements for appropriate resources to support the counter fraud strategy.			
	Guidance Point	Doncaster Council Assessment	Additional Actions Required
D1	<p>An annual assessment of whether the level of resource invested in counter fraud and corruption is proportionate to the level of risk.</p> <p><i>Additional Guidance</i> <i>An annual assessment is conducted as part of the annual review of the strategy to review whether the level of resource invested in counter fraud and corruption is proportionate to the level of risk.</i></p> <p><i>The adequacy of the available resource to support the strategy is considered by Audit Committee.</i></p>	<p>Resources provide for counter fraud activity within Internal Audit are reviewed as part of the annual audit plan report and the Annual Report of the Head of Internal Audit.</p> <p>Counter fraud resources in other areas such as those in Revenues and Benefits were subject to a review after the transfer of benefits fraud investigation to the Single Fraud Investigation Service.</p> <p>The internal audit plan is approved by Audit Committee on an annual basis.</p>	None identified.
D2	<p>The organisation utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff with professional accreditation.</p> <p><i>Additional Guidance</i> <i>Training is provided to ensure that counter fraud staff have the skills, experience and accreditation to conduct their work.</i></p> <p><i>A personal development process has been implemented to identify skills gaps and support continuous professional development,</i></p> <p><i>Counter fraud staff are governed by a code of conduct / ethical framework.</i></p> <p><i>Fraud awareness is increased for all staff using a variety of training methods including formal subject specific counter fraud presentations, e-learning tools and regular counter fraud briefings as an input to generic team meetings</i></p>	<p>There are 2 CCIP trained investigators within Internal Audit and 2 PINS trained investigators within the Revenues and Benefits Enforcement Team that handle investigations of this nature. All are suitably experienced.</p> <p>The Council does not employ a trained financial investigator. These are individuals seek recoveries on frauds by investigating an individual's financial assets, assisting in their freezing and recovery to recover frauds. The Council has access to such individuals through NAFN (the National Anti-fraud Network) and through government framework contracts and could employ if required.</p> <p>All staff within the Council are bound by a code of ethics, in addition, the professional ethics from CIPFA, PINS and IIA are also in use.</p> <p>Face to face training has been delivered for senior council managers with them receiving a copy of the presentation to be able to discuss it with their team. A ready reference fact sheet has been provided to allow managers to give staff a quick overview of the arrangements to compact fraud in the Council. E-learning has been developed and is in the process of testing.</p>	E-Learning training, currently in testing will be released by the end of the financial year.
D3	The organisation grants counter fraud staff unhindered	The access of Internal Audit to all files is written into the	None identified

	<p>access to its employees, information and other resources as required for investigation purposes.</p> <p><i>Additional Guidance</i> <i>Clear authority is provided in documents such as financial instructions and partnership agreements. Access to the organisation's records and staff personnel files and other records is clearly recorded and regulated. For counter fraud work provided externally, access to sensitive records is agreed in advance in any agreement or contract.</i></p>	<p>AFBC Framework and forms part of the Council's key governance arrangements.</p> <p>All investigation files are fully logged and recorded. Where sensitive information is accessed this is recorded and justified within these records to ensure that such access can be defended if challenged.</p> <p>Counter fraud work is rarely outsourced but this will be built into the arrangements / contract if this happens.</p>	
D4	<p>The organisation has protocols in place to facilitate joint working and data and intelligence sharing to support counter fraud activity.</p> <p><i>Additional Guidance</i> <i>A framework, memorandum of understanding and / or service level agreement is in place with other organisations and law enforcement agencies where applicable. Relationships are agreed in advance, including responsibilities, obligations, exchange of information, liaison, communications, meetings with key personnel and media strategies. The governance arrangements are kept up to date and relevant.</i></p>	<p>Where partnerships are in place (for example with St Leger Homes) these are in place.</p> <p>Partnership arrangements with local law enforcement are not in place. South Yorkshire Police prefer (for fraud cases) that the authority uses Action Fraud.</p>	No further action considered appropriate at this stage.

Section E – Take Action

Fraud risk identification is essential to understand specific exposures to risk, changing risk patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.

	Guidance Point	Doncaster Council Assessment	Additional Actions Required
E1	<p>The organisation has put in place a policy framework which supports the implementation of the counter fraud strategy.</p> <p><i>Additional Guidance</i> <i>As a minimum the framework includes:</i></p> <ul style="list-style-type: none"> • <i>Counter fraud policy</i> • <i>Whistleblowing policy</i> • <i>Anti-money laundering policy</i> 	<p>All of these policies are in place for the Council.</p> <p>The Anti-Money Laundering Policy is currently under review and will be passed to Audit Committee for approval once updated. This is part of the policies normal update arrangements.</p>	None outside of the normal policy review timetables.

	<ul style="list-style-type: none"> • <i>Anti-bribery policy</i> • <i>Anti-corruption policy</i> • <i>Gifts and hospitality policy and register</i> • <i>Pecuniary interest and conflicts of interest policies and register</i> • <i>Codes of conduct and ethics</i> • <i>Information security policy</i> • <i>Cyber security policy</i> 		
E2	<p>Plans and operations are aligned to the strategy and contribute to the achievement of the organisation's overall goal of maintaining resilience to fraud and corruption.</p> <p><u>Additional Guidance</u> <i>A proactive plan has been developed which seeks to achieve early detection of fraud and corruption. The plan includes:</i></p> <ul style="list-style-type: none"> • <i>Specific audits to assist in the detection of fraud</i> • <i>Data analytics to detect fraud in a proactive manner</i> • <i>Specific activities to be conducted by the dedicated counter fraud team</i> <p><i>A clear fraud response plan is in place to ensure appropriate action is taken upon the identification of fraud and / or corruption. The plan ensures that</i></p> <ul style="list-style-type: none"> • <i>Immediate action is taken</i> • <i>The aims of the investigation are clearly defined</i> • <i>Appropriate persons are contacted for help</i> 	<p>A counter fraud plan forms part of the internal audit annual plan as reported to audit committee.</p> <p>Please see section 6 for further information on the projects in this area.</p> <p>New and innovative techniques will continue to be sought and time will continue to be invested in this area going forward. This will continue to be included in the audit plan.</p> <p>A fraud response plan covering all of the items listed is included within the AFBC Framework.</p>	None identified.

	<p><i>and advice</i></p> <ul style="list-style-type: none"> • <i>Evidence is secured</i> • <i>The investigation remains confidential</i> • <i>Losses are minimised</i> • <i>Legislation and policies and procedures are complied with</i> • <i>Legal advice is sought</i> • <i>Reporting requirements are adhered to</i> 		
E3	<p>Making effective use of national or sectoral initiatives to detect fraud or prevent fraud, such as data matching or intelligence sharing</p> <p><i>Additional Guidance</i> e.g the National Fraud Initiative and regional and joint initiatives.</p>	<p>The Council actively participates in the NFI and this (and the associated results) are reported in the annual Counter Fraud Report.</p> <p>Where pilot exercises are released, these are evaluated and the Council participates where appropriate.</p> <p>Internal Audit undertakes innovative internal data matching exercises using its own data to this effect. Please see section 6 for further information.</p>	None identified
E4	<p>Providing for independent assurance over fraud risk management, strategy and activities.</p> <p><i>Additional Guidance</i> The governing body assesses the programme of work to manage fraud and corruption risks to ensure it is achieving its aims, by implementing an independent review of compliance, goals and resources. The Audit Committee has oversight of the organisation's strategy to ensure that it meets recommended practice and governance standards and complies with legislation.</p>	<p>The programme of work is included within the Internal Audit Plan and is approved by the Council's leadership through the Governance Group and by the Audit Committee.</p>	None identified
	<p>There is a report to the governing body at least annually on performance against the counter fraud strategy and the effectiveness of the strategy from the lead person(s) designated in the strategy. Conclusions are featured in the annual governance report.</p> <p><i>Additional Guidance</i></p>	<p>This is achieved in the annual Counter Fraud Report presented to Audit Committee and this is considered to be appropriate for the Council given that there is no dedicated, specialised and central counter fraud team.</p> <p>Any issues identified or detected are used (along with internal audit findings) to challenge and inform the Annual</p>	None identified.

	<p><i>There is a robust reporting, compliance and governance process, including the following:</i></p> <ul style="list-style-type: none"> • <i>An independent review of compliance, goals and resources</i> • <i>A report to the governing body at least annually on performance against the strategy from the lead persons and the impact and cost effectiveness of counter fraud activities</i> • <i>Conclusions feature in the annual governance statement.</i> 	<p>Governance Statement process. A specific statement on compliance is not included within the governance statement on compliance with this code of practice, however, it is not felt that this would materially add anything to the Annual Governance Statement other than to confirm compliance and re-iterate what is included in the Counter Fraud Report.</p>	
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**To the Chair and Members of the
AUDIT COMMITTEE**

EXTERNAL AUDITOR (KPMG) ANNUAL AUDIT LETTER 2015/16

EXECUTIVE SUMMARY

1. This report covers the External Auditor Annual Audit Letter for 2015/16 issued by KPMG. The report (Appendix A) 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: -
 - a. issued an unqualified opinion on the Council's core financial statements and associated disclosure notes included in the Council's 2015/16 Statement of Accounts;
 - b. concluded that the Council made appropriate arrangements to secure financial resilience and economy, efficiency and effectiveness in the use of its resources; and
 - c. 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.

EXEMPT REPORT

3. Not applicable.

RECOMMENDATIONS

4. It is recommended that the Audit Committee: -
 - a. Note the contents of the Annual Audit Letter; and
 - b. Note the overall significant and positive progress made by the Council.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. An unqualified audit opinion on the Council's financial statements and a good Value for Money (VfM) conclusion resulting from the annual audit process indicates that there is excellent internal control in place safeguarding Council resources.

BACKGROUND

6. The Council's 2015/16 accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and the appropriate accounting codes of practice. They were approved by the Council's responsible financial officer on the 2nd June 2016 and published on the Council's website on 14th June 2016. The draft accounts were presented to this Committee for information on 22nd June 2016 with the audited accounts being presented to this Committee on 17th August 2016.
7. The 2015/16 Statement of Accounts received an unqualified audit opinion on 19th August with the audit certificate being issued on 26th October. This means that KPMG 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 a small number of presentational audit adjustments, all of which were amended in the financial statements. This included the disclosure of the new Salix Loan (£2.6m) in Note 12 of the financial statements.
8. KPMG also issued the Council with an unqualified VfM conclusion stating that the Council has proper arrangements to secure economy, efficiency and effectiveness in the use of its resources. This follows on from the positive conclusion obtained last year and is recognition of the work undertaken to embed robust financial and governance arrangements within the Council.
9. There are no high priority recommendations resulting from the 2015/16 audit work and only one medium priority recommendation in relation to the Waste Management PFI Contract. This will be revalued and recognised at its up to date value in the 2016/17 financial statements.

OPTIONS CONSIDERED

10. Not applicable.

REASONS FOR RECOMMENDED OPTION

11. The Council is subject to statutory external audit and performance evaluation by KPMG and must prepare annual accounts.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

12. These are detailed in the table below: -

	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</i>	<p>The audited Statement of Accounts provides information on all Council priorities incorporating income and expenditure for all Council services.</p> <p>An unqualified audit opinion</p>

	<i>Doncaster's vital services</i>	from KPMG on the financial statements and supporting disclosure notes, together with an unqualified VfM conclusion assists with the positive reputation of the Council and ensures that strong governance is in place.
	<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 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 KPMG 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

14. The Council is subject to statutory external audit and performance evaluation by KPMG.

FINANCIAL IMPLICATIONS

15. The final fee for the 2015/16 audit was £164,844 and for grant certification was £27,103. This was in accordance with the planned fee.
16. The audit fee budget is managed by the Director of Finance and Corporate Services. Although the audit fee and grant certification fee were within

budget, as a result of additional work of £9,472, offset by a refund from the Audit Commission, the budget overspent by £7,770 for the year.

HUMAN RESOURCES IMPLICATIONS

17. There are no specific Human Resources implications related to the contents of this report.

TECHNOLOGY IMPLICATIONS

18. There are no specific Technology implications related to the contents of this report.

EQUALITY IMPLICATIONS

19. This report has no specific equality implications.

CONSULTATION

20. This report has no significant consultation implications.

BACKGROUND PAPERS

21. Statement of Accounts 2015/16
Annual Governance Statement 2015/16
ISA 260 Report 2015/16

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Annual Audit Letter 2015/16



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Page 150

Page

Report sections

Headlines 3

Appendices

1. Summary of reports issues 5
2. Audit fees 6

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. Public Sector Audit Appointments 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.psaa.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 Clare Partridge, 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, Andrew Sayers (andrew.sayers@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 Annual Audit Letter summarises the outcome from our audit work at Doncaster Metropolitan Borough Council in relation to the 2015/16 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

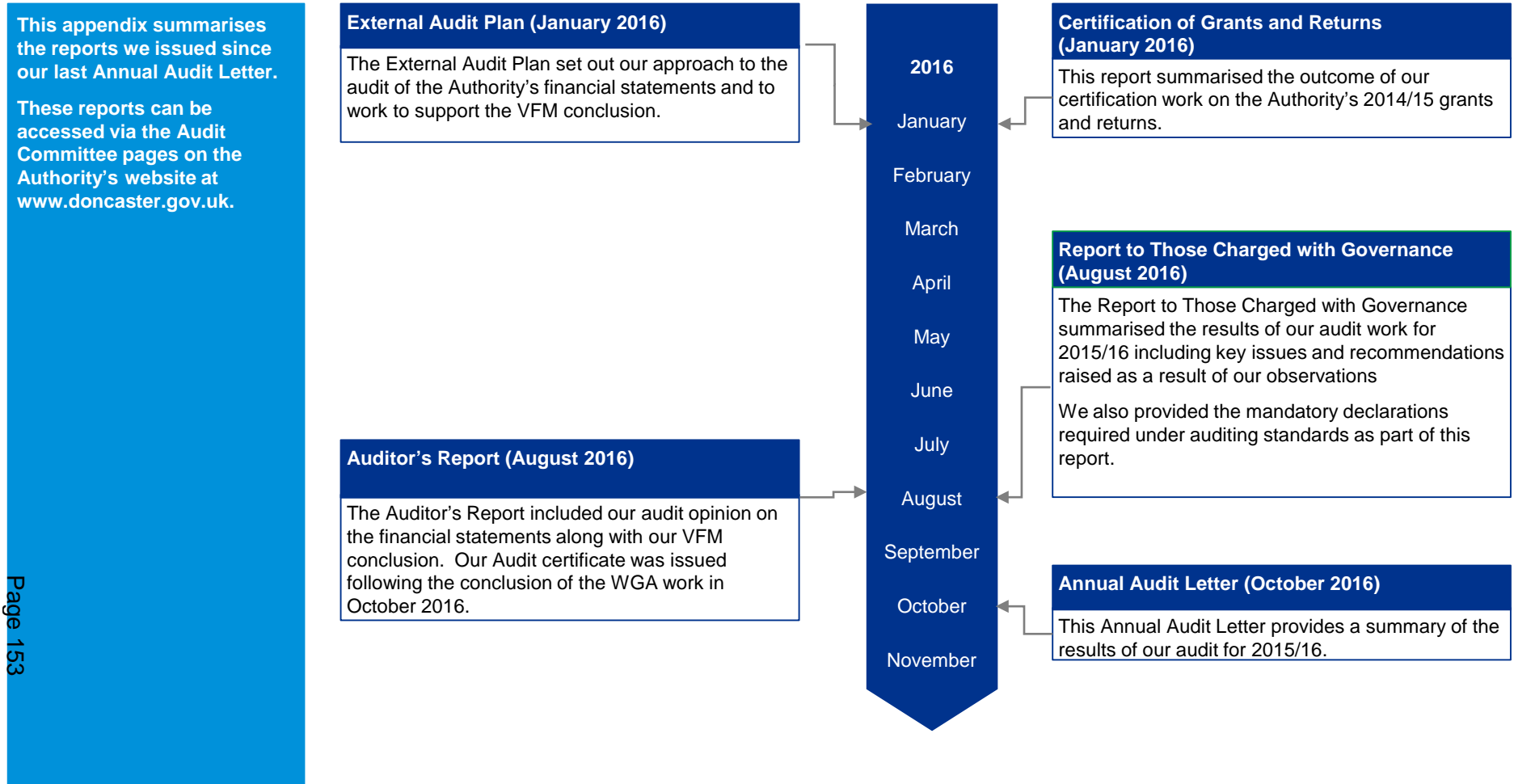
VFM conclusion	We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2015/16 on 19 th August 2016. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources. To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.
VFM risk areas	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. Our work did not identify any significant VFM risks for the Authority for 2016/17.
Audit opinion	We issued an unqualified opinion on the Authority's financial statements on 19 th August 2016. 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.
Financial statements audit	Our audit identified a small number of presentational audit adjustments. The financial statements were amended for all of them. This included the disclosure of the new Salix Loan (£2,646k) in Note 12 of the financial statements. We raised one medium priority recommendation in relation to the Waste Management PFI Contract. No assessment had been made to establish if the asset value needed to be re-measured as it came into use and onto the Authority's balance sheet, in line with the requirements of the code. We recommended that the revaluation took place at the earliest opportunity and recognised at it's up to date value in the 2016/17 financial statements.

Headlines (cont)

We have issued our certificate to confirm the completion of our audit responsibilities for the 2015/16 audit year.

Other information accompanying the financial statements	Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.
Whole of Government Accounts	We reviewed the consolidation pack which the Authority prepared 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 did not raise any high priority recommendations as a result of our 2015/16 audit work. However, we raised 1 medium priority recommendation and 4 low priority ones. We will formally follow up these recommendations as part of our 2016/17 work.
Certificate	We issued our certificate on 21 October 2016. The certificate confirms that we have concluded the audit for 2015/16 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.
Audit fee	Our fee for 2015/16 was £164,844, excluding VAT (£164,844 in 2014/15). Our scale fee for certification for the HBCOUNT was £25,035 plus VAT (£33,380 in 2014/15). Fees for other grants and claims have not yet been finalised however we expect this to be in the region of £10,000 plus VAT in line with the prior year.

Appendix 1: Summary of reports issued



Appendix 2: Audit fees

This appendix provides information on our final fees for the 2015/16 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2015/16 planned audit fee.

External audit

Our final fee for the 2015/16 audit of the Authority was £164,844, which is in line with the planned fee.

Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments 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 2017.

Other services

Fees for other grants and claims have not yet been finalised, however we expect this to be in the region of £10,000 plus VAT in line with the prior year.



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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

INTERNAL AUDIT PLAN – 2016/17 – PROPOSED REVISIONS

EXECUTIVE SUMMARY

- 1.1. Internal Audit in Doncaster complies with the UK Public Sector Internal Audit Standards (the Standards). A key principle for the service is to assist management through proactive advice and involvement in new developments, systems or any irregularities they experience. This is a modern audit approach, designed to provide as much value to the organisation as possible, whilst recognising we are also required to fulfil our statutory responsibility for checking the Council's control systems. The approach fully reflects the wording and the spirit of the Standards.
- 1.2. The Internal Audit annual audit plan for 2016/17 was approved by Audit Committee at its April 2016 meeting.
- 1.3. The Standards require Internal Audit's plans to be risk based and informed by the organisation's risk management, performance management and other assurance processes. They also require the plans to be reviewed on a regular basis.
- 1.4. The internal Audit Progress report for the August 2016 committee highlighted some minor changes to the plan which were approved at that committee meeting.
- 1.5. This report set out further more comprehensive revisions to the plan and reasons behind them
- 1.6. The Head of Internal Audit has considered these changes and is satisfied that the proposed changes to the plan and the current level of resource is still sufficient to provide an opinion at the end of the year to the Audit Committee and the Chief Financial Officer and Assistant Director - Finance on the adequacy of the Council's control environment.

RECOMMENDATIONS

2. The Audit Committee is asked to support the proposed revisions to the 2016/17 Internal Audit Plan and is asked to note that the Head of Internal Audit has considered these changes and is satisfied that the proposed changes to the plan and the current level of resource is still sufficient to provide an opinion at the end of the year to the Audit Committee and the Chief Financial Officer and Assistant Director - Finance on the adequacy of the Council's control environment

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

3. Effective oversight of the work of the Internal Audit team through the audit committee adds value to the Council operations in managing its risks and achieving its key priorities.

BACKGROUND

Revisions approved at the August 2016 Audit Committee meeting

- 4.1. The following revisions were approved at the August 2016 Audit Committee meeting:

Cancelled from the Audit Plan

- **Services Transferring to the Children's Trust** – Cancelled due Management not requiring input from the Audit Team.

Added to the Audit Plan:

- **Social Care Capital Grant Determination 31/2534** – this is a new grant which there was no awareness of at the time of the audit planning process
- **Bus Services Operators Fuel Grant** – a change in criteria meant this area required verification by Internal Audit

Proposed revisions to the audit plan – November 2016.

- 4.2. Factors involved in the proposed further revisions to the Audit Plan

- A member of the Audit Team has gained promotion to a post at a neighbouring authority with the loss of 95 auditor days.
- A long term sickness absence occurred losing 40 auditor days.
- Two major investigations have required greater resourcing than was originally provided for.
- A further investigation is being undertaken that is requiring significant audit resources.
- Some jobs have required additional time to that envisaged due to complexities encountered during the audit and additional reporting time required
- New and emerging risks have materialised as occurs on a regular basis. There is always the expectation for this to take place and audit plans are revised to reflect these risks and reassess the relative priority of existing and proposed areas for review. This is in line with our professional auditing standards.

New reviews proposed to be added to the Audit Plan

4.3.

Review Title	Reason
Deprivation of Liberties Standards (DOLS)	Issues have been identified in some payments being made for assessments claimed and the underlying systems and controls in this area.
Adult, Health and Wellbeing Overarching Contract Register Review	Advisory work following concerns picked up from Audit work carried out in this area and procurement concerns reported to Audit Committee.
Adult Education Board Grants (Advice on contract strengthening)	Advisory work to improve controls in this area following weaknesses identified on a grant under these arrangements
Transparency Agenda Review	Requested by Governance Group - element of Governance group forward work plan
Officer Decision Records	Requested by the Governance Group due to concerns over its usage within the authority
Consultant payments	A follow up review ensuring payments in this area met legislative and internal requirements
School admissions	Concerns have been raised by the Director of Learning and Opportunities following the admissions process for 2016.

4.4. These factors and additional work have resulted in the proposed removal of the following audits from the original plan agreed at April's Audit Committee on the basis of an assessed lower risk rating. These areas can be reassessed as part on the planning process for the 2017/18 Audit Plan.

- Grey Fleet Usage Review
- Social Care Arrangements - Prison Partners
- Better Care Fund Governance
- Customer Contact Centre
- School Themes - Voluntary Funds
- Data Quality - Supported Living
- Data Matching AP Forensics - Purchase Card Pilot
- Early help funding 2-4 year olds

4.5. Peer review Arrangements (Review of Bradford Internal Audit Service) has also been removed from this year's plan as it has been rescheduled at Bradford's request to be undertaken early in the next Financial Year.

OPTIONS CONSIDERED

- The audit plan shows the proposals for revised coverage in the year. Internal Audit is not aware of any significant risks not covered by the audit plan or by other sources designed to provide assurance about the mitigation of relevant risks.

REASONS FOR RECOMMENDED OPTION

- Approving these revisions is considered best use of internal audit resources and helps ensure the work of the section meets the relevant auditing standards (UKPSIAS)

IMPACT ON THE COUNCIL'S KEY OUTCOMES

- Internal Audit contributes to the effective management of the Council's risks, which in turn contributes to the achievement of the Council's goals.

	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> 	None
	<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> 	None
	<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> 	None

	All families thrive. • <i>Mayoral Priority: Protecting Doncaster's vital services</i>	None
	Council services are modern and value for money.	Effective oversight through the Audit Committee adds value to the Council operations in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough
	Working with our partners we will provide strong leadership and governance.	The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.

RISKS AND ASSUMPTIONS

8. The Council must provide an effective internal audit if it is to meet its statutory obligations.

Failure to direct internal audit resources to the most appropriate areas would limit the contribution the team can make to the Council. It would also limit the ability of the Head of Internal Audit to provide an opinion on the internal control environment or to deliver the most effective internal audit and joint audit arrangement with the External Auditor. These risks are managed through having an appropriate internal audit plan, supported by adequate internal audit resources.

LEGAL IMPLICATIONS

9. The Council must provide an adequate and effective internal audit in order to comply with the requirements of the Accounts and Audit Regulations.

FINANCIAL IMPLICATIONS

10. The revenue budget for the internal audit function carried out for DMBC is £525,000, including corporate recharges, and is within the Finance and Corporate Services Directorate agreed budget.

HUMAN RESOURCES IMPLICATIONS

11. None

TECHNOLOGY IMPLICATIONS

12. None

EQUALITY IMPLICATIONS

13. None

CONSULTATION

14. Chief Financial Officer and Assistant Director - Finance has been consulted on these proposals. This reports seeks to consult the views of the Audit Committee.

BACKGROUND PAPERS

15. Accounts and Audit Regulations 2016
UK Public Sector Internal Audit Standards
Council Risk Register

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Steve Mawson

Chief Financial Officer & Assistant Director - Finance

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

**CHANGES TO THE ARRANGEMENTS FOR THE APPOINTMENT OF
EXTERNAL AUDITORS**

EXECUTIVE SUMMARY

1. This report summarises the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audit, and makes recommendations for the future appointment of external auditors by the Council.
2. Regulations relating to external audit appointments require that any decision to opt-in to a sector-led procurement option has to be made by the full Council.

RECOMMENDATIONS

3. **The Audit Committee is asked:**
 - to note the options for appointing External Auditors from April 2018 resulting from the Local Audit and Accountability Act 2014, and the advantages and disadvantages of each option
 - to support a recommendation to the full Council in January 2017 to appoint the Public Sector Audit Appointments Ltd to negotiate and appoint the External Auditor for Doncaster Council.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER

4. It is important that a robust appointment process takes place for an external auditor. The external auditor provides independent assurance to the citizens of Doncaster as to whether the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and an audit opinion on the financial statements.

BACKGROUND

5. The Local Audit and Accountability Act 2014 abolished the Audit Commission and established transitional arrangements for the appointment of external auditors for all local government and NHS bodies in England. On 5 October 2015 the Secretary of State Communities and Local Government (CLG) determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017/18.
6. The Council's current external auditor is KMPG, this appointment having been made under at a contract let by the Audit Commission and extended by the CLG. Following closure of the Audit Commission the contract is currently managed by Public Sector Audit Appointments Limited (PSAA), the transitional body set up by the Local Government Association (LGA) with delegated authority from the CLG. The Council's external audit fee for 2015/16 was £165,000
7. When the current transitional arrangements come to an end on 31 March 2018 the Council will move to local appointment of its external auditor. There are a number of routes by which this can be achieved, each with varying
8. Current external audit fees are based on discounted rates offered by the firms in return for substantial market share. When the contracts were last negotiated nationally by the Audit Commission they covered most NHS and local government bodies and so offered maximum economies of scale.
9. The scope of the audit will continue to be specified nationally. The National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out councils' audits must follow. Not all accounting firms will be eligible to compete for the work as they will need to demonstrate that they have the required skills and experience, and be registered with a Registered Supervising Body approved by the Financial Reporting Council. The registration process has not yet commenced, so the number of eligible firms is not known, but it is reasonable to expect that the list may include the top 10 or 12 firms in the country, including our current auditor. It is unlikely initially that small local independent firms will meet the eligibility criteria.

OPTIONS CONSIDERED AND RECOMMENDED OPTION

10. The Council has until December 2017 to appoint its external auditors. However, the PSAA has stated that councils wishing to use the PSAA to make external audit appointments on their behalf must advise the PSAA of their intention to do so by 9th March 2017. A decision needs to be made now, therefore, on the Council's preferred route.
11. There are three broad options open to the Council under the Local Audit and Accountability Act 2014 (the Act):

Option 1 To make a stand-alone appointment

Option 2 Set up a Joint Auditor Panel/local joint procurement arrangements

Option 3 Opt-in to a sector led body

12. **Option 1:** In order to make a stand-alone appointment the Council will need to set up an Auditor Panel. The members of the panel must be wholly or a majority independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which firm of accountants to award a contract for the Council's external audit. The new independent auditor panel established by the Council would be responsible for selecting the auditor.

Advantages/benefit

- a) Setting up an auditor panel allows the Council to take maximum advantage of the new local appointment regime and have local input to the decision.

Disadvantages/risks

- a) Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus on going expenses and allowances.
- b) The Council will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts.
- c) The assessment of bids and decision on awarding contracts will be taken by independent appointees and not solely by elected members.
13. **Option 2:** The Act enables the Council to join with other authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees (members). Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Council under the Act and the Council need to liaise with other local authorities/public sector bodies to assess the appetite for such an arrangement.

Advantages/benefits

- a) The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities.

- b) There is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the firms.

Disadvantages/risks

- a) The decision making body will be further removed from local input, with potentially no input from elected members where a wholly independent auditor panel is used, or possible only one elected member representing each council, depending on the constitution agreed with the other bodies involved.
 - b) The choice of auditor could be complicated where individual councils have independence issues. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for a council. Where this occurs some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel choose a firm that is conflicted for this Council then the Council may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement.
14. Discussions amongst the Sheffield City Region Treasurers has not indicated any preference for this option, which would be likely to mean that the Council would not be acting with its most obvious partners if it were to pursue a joint procurement option.
15. **Option 3:** Public Sector Audit Appointments Limited (PSAA) has now been approved by the Department for Communities and Local Government (DCLG) to be a sector-led body for principal authorities (councils, police and fire bodies). The PSAA has the ability to negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector. The length of the compulsory appointing period is the 5 consecutive financial years commencing 1 April 2018.

Advantages/benefits

- a) The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities.
- b) By offering large contract values, the firms would be able to offer lower fees than are likely to result from local negotiation.
- c) Any conflicts at individual authorities would be managed by the PSAA who would have a number of contracted firms to call upon.

- d) The appointment process would not be made by locally appointed independent members. Instead a separate body, set up to act in the collective interests of the 'opt-in' authorities, would do this. In effect, this options continues the established / previous approach where appointments were made by the Audit Commission

Disadvantages/risks

- a) Individual elected members will have less opportunity for direct involvement in the appointment process other than through the LGA and/or stakeholder representative groups.
- b) In order for the PSAA to be viable and to be placed in the strongest possible negotiating position, the PSAA will need councils to indicate their intention to opt-in before final contract prices are known.

The way forward

- 16. The Council has until December 2017 to make an appointment. In practical terms the option selected will determine the timescale required for a formal decision.
- 17. If option 1 or 2 is preferred this needs to be agreed by Spring 2017 in order that the contract negotiation process can be carried out during 2017. However, in the case of option 3 – the sector-led option – the PSAA has stated that councils wishing to use the PSAA to make external audit appointments on their behalf must advise the PSAA of their intention to do so by 9th March 2017.
- 18. Option 3, the sector-led route, is an opt-in option. In accordance with Regulation 19 of the Local Audit (Appointing Person) Regulations 2015, any decision to choose the sector-led route must be made by the Full Council. Although it is a Council decision, the Audit Committee should consider the options and is asked to support officers' recommendation to Council to adopt the sector-led route.
- 19. Consultation with neighbouring local authorities has identified a preference by all to choose the sector-led option.
- 20. This report recommends that option 3 be recommended to full council for approval on the basis of the financial benefits anticipated through:
 - a) The PSAA's ability to offer large contract values to firms who would be able to offer better rates and lower fees than are likely to result from local negotiation and
 - b) Removing the costs of setting up a local audit panel.

There are also advantages in that conflicts of interest would be managed by the PSAA who would have a number of contracted firms to call upon and that the appointment process would be more independent than by a local panel

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>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>Ensuring proper procurement processes are followed and utilising a national Sector Led Body (Public Sector Auditor Appointments Limited) will ensure that best value is obtained through negotiating on the council's behalf to obtain better rates and lower fees than are likely to result from local negotiation.</p>
	<p>Working with our partners we will provide strong leadership and governance.</p>	

RISKS AND ASSUMPTIONS

21. This report presents Members with options available to appoint the Council's external Auditors and the advantages and disadvantages and associated risk with these options. Option 3 to appoint PSAA is considered the option most likely to manage risk associated with failing to follow appropriate procurement processes and obtain value for money within these arrangements.

LEGAL IMPLICATIONS

22. There is a statutory obligation on the Council to appoint an external auditor and these are set out in the Local Audit and Accountability Act 2014.

FINANCIAL IMPLICATIONS

23. The cost of establishing a local or joint Auditor Panel outlined in options 1 and 2 above would need to be estimated and included in the Council's budget for 2017/18 if either of these options was preferred by the Council. This will include the cost of recruiting independent appointees (members), servicing the Panel, running a bidding and tender evaluation process, letting a contract and paying members fees and allowances.
24. Opting-in to a national sector-led option provides maximum opportunity to limit the extent of any fee increases by entering in to a large scale collective procurement arrangement and would remove the costs of establishing an auditor panel

HUMAN RESOURCES IMPLICATIONS

25. There are no identified human resources implications arising from this report.

TECHNOLOGY IMPLICATIONS

26. There are no identified technology implications arising from this report.

EQUALITY IMPLICATIONS

27. We are aware of the Council's obligations under the Public Sector Equalities Duties and there are no identified equal opportunity issues within this report.

CONSULTATION

28. Consultation has been carried out with neighbouring local authorities which identified no appetite for a local appointment process and all provisionally seeking to use the PSAA.

This report seeks to consult with members of the Audit Committee and seek their support to a recommendation to the full Council to opt-in to the sector-led approach.

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BACKGROUND PAPERS

PSAA – Procurement and Appointment of Auditors

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Chief Financial Officer
and Assistant Director of Finance**