



Doncaster
Council

Agenda

To all Members of the

AUDIT COMMITTEE

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

Venue: Council Chamber, 2nd Floor, Civic Office

Date: Thursday, 5th April, 2018

Time: 10.00 am

Items for Discussion:

Item	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 1st February, 2018	1 - 10
A. Reports where the public and press may not be excluded.	

Jo Miller
Chief Executive

Issued on: Monday 26th March, 2018

Governance Services Officer for this meeting: Sarah Maxfield
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5.	Audit Committee Action Log	11 - 20
6.	Internal Audit Report - Deprivation of Liberty Safeguards (DoLS) - Process Review.	21 - 30
7.	Solar Centre - Update including Internal Audit Review.	31 - 54
8.	Breaches and Waivers to the Council's Financial Procedure Rules and Contract Procedure Rules.	55 - 72
9.	Quarter 3 2017/18 Strategic Risk Update	73 - 88
10.	Annual Report of the Head of Internal Audit 2017/18.	89 - 110
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12.	Audit Committee Annual Report 2017/18.	147 - 162
13.	KPMG - Interim Audit Update and Technical Audit Report	163 - 180
14.	External Auditor (KPMG) Certification of Claims and Returns - Annual Report 2016/17.	181 - 184
15.	Re-appointment of Independent Member of the Audit Committee.	185 - 190

Members of the Audit Committee

Chair – Councillor Austen White

Vice-Chair – Councillor Richard A Jones

Councillor Iris Beech, Susan Durant and David Nevett

Co-opted Member: Kathryn Smart

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

THURSDAY, 1ST FEBRUARY, 2018

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER - CIVIC OFFICE on THURSDAY, 1ST FEBRUARY, 2018, at 10.00 am.

PRESENT:

Chair - Councillor Austen White

Councillors Iris Beech, Susan Durant and David Nevett.

Co-opted Member

Kathryn Smart.

APOLOGIES:

An apology for absence was received from the Vice-Chair, Councillor Richard A Jones.

101 DECLARATIONS OF INTEREST, IF ANY

Kathryn Smart declared an interest in Agenda Items 5,7 and 10 by virtue of being a Director for RDash.

102 MINUTES OF THE MEETING HELD ON 26TH OCTOBER, 2017.

RESOLVED that the minutes of the meeting held on 26th October, 2017 be approved as a correct record and signed by the Chair.

103 AUDIT COMMITTEE ACTION LOG.

The Committee considered the Audit Committee Actions Log which updated Members on any actions agreed by Members at previous meetings and that satisfactory progress was being made.

Members noted that good progress was being made, and out of the 14 actions detailed, 6 had been completed and would be removed, 5 had yet to reach the agreed action date, but were on track and 3 were in progress but behind original timelines, details of which were highlighted at paragraph 7 of the report.

Following the introduction of the report, Damian Allen, Director of People gave Members the assurance that in relation to the 3 actions which were behind time progress was being made against the outstanding actions and asked officers in attendance at the meeting to provide Committee with details.

Members were invited to make comments and ask questions. In relation to Deprivation of Liberty Safeguards (DoLS) assessment, it was asked whether the number of outstanding assessments had been reduced and what would be seen as an acceptable level. It was reported that the numbers were reducing. However, it would

be difficult to quantify what would be an acceptable amount and it was felt that a zero position wouldn't be achieved without a change in legislation. It was suggested that an update on this issue be brought to the April Committee meeting.

Following a request, Members were provided with an update with regard to the progression made on the Solar Centre. It was reported that progress was going well and the complex needs of the users of the centre were under review. Conversations had taken place with almost all families of the users of the centre on the future provision and for those without family, independent advocates had been involved throughout the process. It was hoped that those conversations would be completed next week. It was highlighted that for around 30 users, a building based provision would be required and it was envisaged provision to meet their needs would be located within existing communities. It was stated that it has proved difficult to allay anxieties as the new provision has yet to be commissioned. However, the Council need to consult prior to commissioning new services to ensure all needs were met.

With regard to the new commissioning provision, it was queried whether the Council were receiving good value for money. It was advised that following the full analysis, some of the services can be clustered together which will enable the team to compare costs. It was stated that 50% of the people were using the centre 24/7 for residential care. Once analysis is recorded for an overall care package there was optimism that savings can be made.

In relation to the reconciliation of Business Waste and the first audit carried out, it was asked what the financial risk was associated with this matter. Whilst it was acknowledged that the reconciliation had not been completed, some progress had been made. It was noted that the team had suffered some capacity issues, with posts being deleted. However, 2 posts had now been reinstated. It was estimated that the annual cost in relation to risk would be £200,000. Members were advised that the lack of reconciliation means there is a risk of an unknown value of unbilled income. The automated reconciliation process was currently being tested. If the test is successful, it was envisaged that it would be possible for the reconciliation to be completed by the end of February. However, if the automated reconciliation was not successful and the process has to be carried out manually, it would take up to the end of March to be completed. It was also noted that, it was envisaged that some of the unbilled income would be recovered. However, there is a risk that income billed late may be irrecoverable. Members were advised that Internal Audit would continue to work with the team further work was being done throughout the Council around its income management arrangements.

Discussion took place in relation to IT Systems within the Council. It was reported that whilst the Council have the ERP System in place, there are other programmes within various departments. It was highlighted that there are inconsistencies across the Council and there was a project currently being undertaken to map out the details and deal with any inconsistencies that may arise.

RESOLVED that:-

- (1) progress being made against the actions agreed at the previous committee meeting, be noted,
- (2) the reconciliation of business waste be monitored and further update report be brought back to the next meeting.

The Committee received an update report on Covert Surveillance, Regulation of Investigatory Powers Act 2000 (RIPA). It was reported that in 2017 there were five authorised applications for covert surveillance. Members noted that the majority of covert surveillance applications currently made by Trading Standards relate to work to counter-illicit tobacco sales, which began in 2015 with the formation of specialist posts in this area. Prior to this most applications were related to under-age sales work. In the intervening three years there had been a move to intelligence-led operations, i.e. responding to complaints. However, for reasons not fully understood, the number of complaints about under-age sales had dramatically reduced and the team had not had the intelligence to support applications for under-age sales work.

Members were advised that these surveillance operations had generated a substantial amount of work which had required follow up actions including, inspections, interviews, premises licence reviews and prosecutions along with inter-agency and inter-authority work. It was noted that work load issues would obviously limit the amount of effective surveillance the team can do. This year this had been compounded by resource issues. It was advised that work generated by the surveillance in January to April was covered by other Trading Services Officers. It was reported that the team were now back to capacity and further surveillance, including a successful operation throughout November and December and the team were about to apply for another authorisation.

Following the introduction of the report, Members were afforded the opportunity to make comments and ask questions which were as follows:-

- It was highlighted that there had been an number of Licensing meetings scheduled where there were still court cases pending, it was asked why the licencing meetings were being held prior to the court hearing. Members were advised that the Council were restricted because of court timings. Unfortunately in recent cases the Licensing deadlines had been earlier and licensing procedures needed to be followed.
- In relation to the non-RIPA authorisations, it was asked whether these would be taken into consideration during an inspection and whether there were any lessons to be learnt if not used very often. It was reported that this was the first time this process had been undertaken and it would only be used in exceptional circumstances. As the surveillance was carried out with children liaison with lawyers at the Children's Trust had been undertaken. Details of how evidence was gathered through covert surveillance was highlighted to members and it was noted that video evidence was considered sufficient for a conviction. It was also noted that at present it was unknown whether the inspector would carry out inspections on non-RIPA cases.
- It was asked whether it was intended for non-RIPA procedure would become a Council Policy. Members were advised that it would be possible for the existing Policy could be amended to add an additional paragraph regarding non-RIPA applications and could form part of the Annual report update.

- The Chair wished to point out that it was pleasing to see that all RIPA training had now been completed.

RESOLVED to note that:-

- (1) 1 RIPA application had been authorised since the last report in June 2017, details attached at Appendix 1 to the report;
- (2) No RIPA applications had been refused by the Magistrates;
- (3) All those who were required to do on-line RIPA training had done so following the recommendation of the Audit Committee in November, 2016. A refresher internal half day course took place on 20th July 2017 for those officers regularly involved in covert surveillance; and
- (4) The Council had carried out its first Non-RIPA covert surveillance and a process for this was attached at Appendix 2 of the report.

105 UPDATE REPORT ON CONTRACTS AND COMMISSIONING IN ADULTS, HEALTH AND WELLBEING.

The Committee considered a report updating Members on the progress within the Adult Commissioning and Contract function.

The report highlighted that since October 2017, the Commissioning and Contracts Team had continued to make progress across a number of areas as identified in paragraph 12 of the report.

Following the introduction of the report, the Committee were given the opportunity to make comments and ask questions as follows:-

- In relation to the activity identified within the report, it was felt that the report was a little operational and didn't give many assurances. It was stated that officers were giving partial assurances and although that further work was required, there was now a strategy and plan in place in order to provide further improvements and assurances.
- It was identified that there were 31 members of staff within the Team, it was asked how did Doncaster compare with other authorities. It was reported that comparatively Doncaster were around the same as neighbouring authorities. However the vacant posts have had an impact. Additionally with regard to capacity issues, it was asked how key priorities would be progressed. It was advised that this had been the 3rd recruiting exercise which had taken place and the lack of capacity had impacted upon the senior management level within the team which had required the deployment of work throughout existing members of staff. It was emphasised that whilst this presented a challenge to the service, it was noted that following the introduction of the Doncaster Growing Together Scheme and the Place Plan, improvements continued to be made. It was also noted that weekly meetings with colleagues within Public Health continue to take place and a report would be considered by Cabinet in April on a (Section 75) agreement between Doncaster Council and Doncaster

CCG which will ensure better alignment of budgets. Members were advised that paragraph 12 of the report showed a significant amount of activity which was considered to be a major step forward for the Transformation Plan.

- With regard to the supported living tender, Members were advised that whilst there had been a delay in the process, it was reported that due diligence had been carried out and it was envisaged that the tender would be ready to be advertised at the end of next week.
- In relation to Waivers and Breaches detailed at paragraph 13 of the report, it was asked why the 1 breach could not be a waiver if the issue had been through the process. It was advised that the team had looked into the issues. However, there wasn't sufficient time for delivery through the normal contractual arrangement.

RESOLVED that the information contained within the report and the actions and progress made by the Commissioning and Contracts function in Adults Health and Wellbeing be noted and a further update be provided in 6 months time.

106 2016-17 ANNUAL GOVERNANCE STATEMENT - PROGRESS UPDATE.

The Committee received an update report advising Members on the progress made against the improvements identified in the 2016/17 Annual Governance Statement. A copy of the actions taken were identified at Appendix A of the report.

Following a brief introduction, Members raised the following comments:-

- In relation to the pace of improvement, if anything new was to be identified would the issue have to be dealt with within that financial year. It was advised that this wouldn't necessarily be the case. It was advised that the pace of improvement was not consistent and the Directors would like to see speedier progress. Members were advised that there were a number of more complex issues to be dealt with that take more time to be resolved. It was noted that capacity was an issue but this continued to be tackled through the Management Team.
- With regard to Direct Payments, it was asked whether the amount identified was an annual figure or cumulative. It was advised that this was an annual amount
- A suggestion was made for progress to be made monitored by the Governance Group. It was reported that this can be done, however officers wished to reassure Members that all Heads of Service were involved in the process and the team do monitor progress made and go back to the Head of Service if the matter has not been dealt with. It was also stated that the Governance Group meet on a quarterly basis and if anything was to arise, Members would be kept informed.

RESOLVED that the report and Appendix be noted.

107 QUARTER 2 2017/18 STRATEGIC RISK UPDATE.

Members considered the Q2 2017/18 Strategic Risk Update that provided information on strategic risks across the Authority.

Members noted that 2 new strategic risks had been identified for inclusion within the risk register and would be profiled within Q3 update report:-

- DTOC – Doncaster systems do not integrate effectively to enable the rapid discharge of hospital patients, resulting in increased delayed transfers of care and risks to better care funding.
- Financial savings – Savings from the Adults Health and Wellbeing Transformation Programme are not delivered as quickly as anticipated or are not achievable. Therefore alternative savings plans will be required in order to achieve the Medium Term Financial forecast.

Further to the addition of the two risks identified above, Members noted that 18 risk profiles had remained the same and mitigating actions had reduced 1 profile, and only 1 profile had increased during this quarter.

The Chair invited Members of the Committee to put any questions forward to officers, with queries raised on the following issues:-

- Members asked that a glossary be developed to make the report easier to read. It was also suggested that full titles be listed followed by the acronym.
- It was suggested that further narrative was needed as it wasn't clear and consistent. It was stated that whilst there was a target risk it wasn't set out clearly how that was going to be achieved. Further discussion was required at Directors meeting to establish a clear understanding over risk appetite as at the moment it wasn't explicit.
- Data Quality – It was noted that this issue had been on the register for a long time and whilst work had continued there was still some way to go to reach the target of 8. With the introduction of the new GDPR regulations in April 2018, the Council need to ensure that they were prepared for its introduction. It was advised that there had been the creation of a team of 7 Officers who are fully aware of GDPR requirements and have been introduced to the Management Teams. It was emphasised that there was a collective responsibility to ensure that reporting mechanisms were in place and systems properly followed. An update would be provided to Members on the GDPR at a future training session.
- Adults, Health and Wellbeing – Discussion took place with regard to the monitoring of progress against the transformation plan. Members were advised that a number of mechanisms were in place such as Directorates Leadership Teams, Portfolio Holder/Chief Executive quarterly challenge meetings. The directorate work closely with the Audit Team. It was suggested that a update report be brought back to Audit in 6 months detailing the progress made against the Transformation Programme.

RESOLVED that:-

- (1) Members noted the report;
- (2) Approved the inclusion of 2 new Strategic risks as detailed within the report; and
- (3) A report be submitted to Committee in 6 months on the progress made on the Adults Health and Wellbeing Transformation Programme.

108 INTERNAL AUDIT PROGRESS REPORT FOR THE PERIOD: OCTOBER 2017 TO JANUARY 2018.

The Committee were presented with a report, that detailed the work undertaken by the Internal Audit Team for the period October 2017 to January 2018 and provided information and incorporated an update on the Quality Assurance Improvement Plan (QAIP).

Members noted that there had been some revisions to the Plan, with two new items added, and the jobs being removed from the plan were no longer required.

The report informed Members that a very high level of responsive work had been carried out over the whole of the year this was further to requests from management which were important in order to address weaknesses and potential errors.

The six investigations that were currently ongoing or completed in the period were detailed within the report.

Some of the pieces of work were nearing conclusion, others will require ongoing resourcing for a while longer.

Members were invited to put any concerns to officers, or ask questions.

With regard to Section 2 and the high level responsive work, it was asked whether any planning for proactive work had been undertaken for the following year. It was reported that it would be difficult to predict as there were no common themes, albeit lessons can be learnt.

A question was raised with regard to the amount of resources within the team and whether it was adequate particularly in light of the level of responsive work undertaken. It was stated that the level was not uncomfortable and additional resources had been made available for the audit plan to be sufficiently delivered and for the Head of Audit to be able to give his annual opinion. However, if the level of coverage was to drop under 80% this would be difficult, but this was not likely to happen.

A request for more information was made around the Internal report on Risk Management as the progress report gave only summary information. It was agreed that the full report be circulated to members in light of this comment.

In relation to paragraph 9 of the report, it was noted that although the lower level audit recommendations had fallen, it was still quite high. It was asked what was being done to reduce the level further. It was reported that the number had reduced through the year and work was continuing with Directorate Leadership Teams to reduce the

outstanding recommendations and whilst there was some way to go, full commitment had been given by all involved.

The Committee were pleased to see the high % targets reached for final reports received within 5 days which was further highlighted within the table of performance indicators shown at page 80 of the report. Members were also pleased to see the comments from the Peer Review.

Following the comments above, the Chair and Members wished to point out that this was Colin Earl's last meeting and wanted to thank him for all his support and contributions provided to the Committee and wished him well for the future

RESOLVED that:-

- (1) The changes to the original audit plan be noted;
- (2) The internal audit work completed in the period be noted;
- (3) Progress made by officers in implementing previous audit recommendations be noted; and
- (4) Information relating the Internal Audit's performance in the period, the arrangements made to manage the demand for responsive work and progress in implementing actions set out in the Quality Assurance Improvement Plan be noted.

109 EXTERNAL AUDITOR'S (KPMG) AUDIT PLAN 2017/18 AND ARRANGEMENTS FOR THE PREPARATION OF THE 2017/18 ACCOUNTS.

The Committee received a report from the External Auditors (KPMG) Audit Plan 2017/18 and arrangements for the preparation of the 2017/18 accounts. Attached to the report at Appendix A was KPMG's plan for completing the review of the Council's financial statements and associated disclosure notes providing an audit opinion on the Council's 2017/18 Statement of Accounts.

Members were also provided with details of the audit plan and timetable for producing the 2017/18 Statement of Accounts. The statutory deadlines for producing the draft accounts and the approved audited accounts were set out in regulation and were currently 31st May and 31st July respectively.

It was reported that significant risks had been identified as below but were further explained as page 105 of the report:-

- Valuation of PPE; and
- Pension Liabilities

Risk assessments regarding arrangements to secure value for money had been identified two issues as follows:-

- Children's Services Trust Overspend and Adults Services Contracts.

Following the brief introduction of the report, Members were given the opportunity to make comments and ask questions as follows:-

- A query was raised in the relation to the diagram at page 109 of the report which stated that Provisions were not highlighted. It was reported that there was still some work to be carried out and it was not considered to be of high value and significant risk.
- In relation to risk identified at paragraph 13 (a) The Valuation of Property, Plant and Equipment of the report, Members were assured that Finance would supply KPMG with all the information that they require.

RESOLVED that:-

- (1) The content of KPMG's Audit Plan 2017/18 be noted; and
- (2) The arrangements, including the draft timetable, to produce the 2017/18 accounts be noted.

CHAIR: _____

DATE: _____

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Doncaster Council

Report

5th April 2018

To the Chair and Members of the AUDIT COMMITTEE

AUDIT COMMITTEE ACTIONS LOG

Relevant Cabinet Member(s)	Wards Affected	Key Decision
n/a	n/a	No

EXECUTIVE SUMMARY

1. The Committee is asked to consider the attached Audit Committee Actions Log which updates Members on actions agreed during Audit Committee meetings. It allows Members to monitor progress against these actions, ensuring satisfactory progress is being made.
2. Most actions requested are progressing well (see paragraph 7 below).

EXEMPT REPORT

3. The report does not contain exempt information.

RECOMMENDATIONS

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

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. 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

6. The Audit Committee Actions Log, which is updated for each Audit Committee meeting, records all actions agreed during previous meetings. Items that have been fully completed since the previous Audit Committee meeting are recorded once as complete on the report and then removed for the following meeting log. Outstanding actions remain on the log until completed.
7. The action log shows details relating to 15 actions requested in previous meetings. Of these:
 - 7 have been completed and will be removed from the next action log
 - 6 have yet to reach the agreed action date and are on track (they are either in progress and in time, or are scheduled for completion within the excepted time)
 - 1 is in progress but behind original timelines.

A reconciliation of Business Waste Income due was due to be rescheduled to be completed by the end of March 2018. However, at the time of drafting this update report, a reconciliation was highly unlikely to be achieved. A follow-up audit in 2017 showed that income reconciliations, first identified as having not been completed in 2015, were still not being done. An agreed date to complete a first reconciliation was set at September 2017 and, after this was not achieved, a project plan was produced, leading to an expected first reconciliation by 31 December 2017. The lack of any reconciliation means there is a risk of unknown unbilled income. The service raises income approaching £2m per year. Some progress has been made and this was reported to the 1st February 2018 meeting of the Audit Committee where an undertaking was given by the Head of Service - Waste and Highways Infrastructure that the reconciliation would be complete by 31st March 2018. However, the reconciliation was not able to be completed and prioritisation had to be given to work arising from the new contract allied with inclement weather on the first week of the new contract. The reconciliation will be recommenced after the bills for the first quarter of 2018/19 are raised at the end of March and will be in progress at the date of the committee meeting on 5th April 2018. The Director/ Assistant Director for Regeneration and Environment responsible for waste will be in attendance to provide an update on this item.

OPTIONS CONSIDERED AND RECOMMENDED OPTION

8. 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

9.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	

	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>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</p> <p>The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

10. 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 (HP, 13/03/18)

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

FINANCIAL IMPLICATIONS (AT, 13/03/18)

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

HUMAN RESOURCES IMPLICATIONS (MLV, 14/03/18)

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

TECHNOLOGY IMPLICATIONS (PW, 12/3/18)

14. There are no specific technological implications associated with this report.

EQUALITY IMPLICATIONS (PJ 14/03/18)

15. 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.

HEALTH IMPLICATIONS (CH, 13/03/18)

16. There are no direct health implications of this report. The health implications rest with the service areas to be audited as part of Internal Audit Plan 2018/19.

CONSULTATION

17. 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

18. None

REPORT AUTHOR & CONTRIBUTORS

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Chief Financial Officer &
Assistant Director of Finance

APPENDIX 1

AUDIT COMMITTEE ACTION LOG – APRIL 2018

Follow-up actions from previous meetings:-

Ref:	Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Meeting February 2018				
Adult Health and Wellbeing Contract and Commissioning Update Report				
	Committee to receive a further update report in 6 months time	Report to be provided to July 2018 Audit Committee.	Patrick Birch	Scheduled but not yet due
Annual Governance Statement Update Report				
	Committee suggested more regular monitoring of the outstanding actions	Regular reports to be provided to the Governance Group –	Steve Mawson	Yes – Updated monitoring arrangements reported to Governance Group held 23/03/18
Strategic Risk Register				
	General Data Protection Regulations - Committee to receive an update at a future pre-meeting training and awareness session.	Training / Awareness update to be provided on 5 th April pre meeting training session	Sarah Corbett	Yes – Training provided at April 2018 Training Session
	Adults Health and Wellbeing Transformation Programme Committee to receive an update report in 6 months time.	Report to be provided to July 2018 Audit Committee.	Patrick Birch	Scheduled but not yet due
Internal Audit Progress Report –				
	Committee to receive the full Internal Audit Report on Risk Management.	Report provided to Audit Committee members	Peter Jackson	Yes – report provided to Audit Committee Members

Ref:	Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Meeting October 2017				
Income Management Progress Report				
	Committee to receive a further update report on the Income Management Improvements by September 2018.	Report to be provided to October 2018 Audit Committee.	Steve Mawson	Scheduled but not yet due
Meeting June 2017				
Deprivation of Liberties Safeguards (DoLS) Update Report				
6	A full update on the DoLS investigation be provided in February 2018.	Report to be provided to April 2018 Audit Committee.	Damian Allen	Yes – Update report provided to April Audit Committee.
Annual Accounts				
	Committee to be updated on the implementation of the agreed recommendations raised by KPMG	5 of the 6 recommendations have been put in place. A review of the IT User documentation and processing being undertaken as part of the internal Services Project, which is looking at the whole process for starters, movers and leavers, has been delayed, therefore an alternative process will be used for 2017/18 to evidence IT users of the main financial systems.	Steve Mawson	Yes – This area is subject to review by KPMG as part of their routine interim audit work.

Ref:	Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Internal Audit Progress Report July 2017				
6a	Business Waste and Recycling follow up. It was suggested that an update be brought back to the October meeting detailing any progress made and the Assistant Director be asked to attend to explain any inconsistencies, if that is deemed necessary at the time.	The Head of Service at the 1 st February 2018 Audit Committee provided a revised date for completion of the reconciliation of 31st March 2018.	Gill Gillies	In progress but overdue -. Although some progress has been made, the first reconciliation has not yet taken place. Work is now required to deal with issues created though the commencement of the new contract with Suez and changes to collections exacerbated by problems created by inclement weather on the first week of the new contract. The reconciliation will be recommenced after the bills for the first quarter of 2018/19 are raised at the end of March and will be in progress at the date of the committee meeting on 5th April 2018.

Ref:	Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Meeting April 2017				
Strategic Risk Management in Learning and Opportunities				
52	Committee to receive further evidence on the risk management of the Doncaster Childrens' Services Trust.	Report to be provided to April 2018 Audit Committee following the OFSTED inspection as inspection will not be finalised for February Committee reporting.	Damian Allen	Rescheduled - for June 2018 Audit Committee meeting due to time constraints at April Committee
Solar Centre Update				
57a	Committee to receive a further update report on the conclusion of the contractual position at its October meeting.	<p>Work ongoing – a comprehensive report to be presented to the April Audit Committee pending the progression of the project actions set out under 49b below.</p> <p>An Agreement in the form of a “short letter contract” and broad outline specification to cover current service provision has been drafted.</p>	Damian Allen	Yes – report provided to April Audit Committee
57b	Committee to receive a backward looking report from Internal Audit surrounding the chronology and reporting of the Solar Centre at its October meeting.	Work completed – report to be presented to the April Audit Committee alongside the report updating on the project progress and contractual position from management set out under 57a above.	Peter Jackson	Yes – report completed and presented to the April Audit Committee

Ref:	Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
49 b	From Meeting April 2016 report - Financial and Purchasing and Contract Procedure Rules Solar Centre – Individual reviews taking place.	An independent project manager has been contracted by Doncaster Council to co-ordinate and lead on resolving this issue. Consultations are ongoing and decisions on future service provision will be determined by the outcome of service user reviews and best interest decisions. Reviews have been completed and best interest discussions are taking place with service users and families (to be complete by end of January \ beginning of February 2018).	Patrick Birch	Yes – comprehensive report provided to April Audit Committee
Ethical Arrangements				
61b	Committee requested a report providing information on the existence and current effectiveness of the Council's ethical arrangements	A report has been scheduled in the Committee's work programme for the 2017/18 year	Scott Fawcus	Rescheduled on the Audit Committee work programme for the 2018/19 year due to time constraints at the April committee meeting



Doncaster Council

Report

5 April, 2018

To the Chair and Members of the
AUDIT COMMITTEE

INTERNAL AUDIT REPORT - DEPRIVATION OF LIBERTY SAFEGUARDS (DoLS) – PROCESS REVIEW

EXECUTIVE SUMMARY

1. This report presents the results of Internal Audit's Deprivation of Liberty Safeguards (DoLS) Process Review. It has been completed to provide the Audit Committee with a full update following an interim report highlighting significant weaknesses in the Council's processes for managing and monitoring the carrying out of Deprivation of Liberty Safeguards (DoLS) assessments by the Council. This interim report was reported to the 27th July 2017 Audit Committee.
2. The audit review looked at all un-actioned issues at the end of the last report and changes made to the process (and its inclusion on CareFirst). The review found numerous issues. There has been a lack of management direction and supervision over a poorly designed and inadequately performing system with significant data quality issues. Whilst these might seem to be relatively low risk issues when considered in isolation, cumulatively, the effect is one of an underperforming process with little control and little information available to be able to identify the root cause of the issues that expose the Council to major risks.
3. Much of the delays in the process (in terms of the timely completion of assessments in line with the required standards of 21 days) are attributed to demand increase. However, there are other contributing factors in that systems are not appropriately set up, are being bypassed, contain little exception reporting, management information or controls. Staff related issues also remain a key factor in the performance of this service.
4. As a result the detailed audit report gave a "no assurance" opinion of the operation of the processes overall. This is the lowest level of assurance that can be given.
5. There has been a positive response from Management following the issue of the draft report, issued on the 22nd February 2018. In total 49 recommendations were raised, 18 being major, 26 significant and 5 moderate. 42 of which are due by the 31st October 2018 with 7 due after this date. The Director of People and the Assistant Director of Adult Care and Safeguarding are both fully supportive of the actions resulting from the audit with every recommendation having been accepted and appropriate timescales provided for their implementation. The directorate are currently actively working to address the issues raised during the audit.
6. It should be noted that there were no concerns found during the review regarding safeguarding issues as all the clients reviewed / identified were being cared for. The weaknesses found were

purely surrounding the management and control of the DoLS function within the Council and the associated system through which the DoLS function operates.

7. Issues were identified within the interim report regarding:
 - the inappropriate payment of employees undertaking best interest assessments through the Accounts Payable (creditors) system rather than via payroll;
 - little or no consideration of the working time directive when allocating best interest assessments to employees to do in their own time on top of their existing day job;
 - the allocation of a volume of assessments that was significantly in excess of what could reasonably be achieved within the set deadlines;
 - payments made in advance of the work (assessments) being completed, in contravention of the Council's Financial Procedure Rules, this also leading to overpayments being made for assessments that were never completed.
8. Since the interim report the above items have all been resolved, however it should be noted that the above is not a complete list of all issues found but rather all issues that have been fully addressed.
9. The initial review identified other concerns which have now been concluded upon. These issues have been summarised later in this report;
 - Backlogs – Para 16
 - System / Process and management information – Para 17
 - Performance – Para 18
 - Data Quality – Para 19
 - Approved Assessor lists and payments to assessors – Para 20
10. This review also identified many further issues, the most significant of which are summarised under the titles of
 - Data Protection – Para 21
 - Notification of Outcomes – Para 22and these issues have also been summarised later in this report

Background to DoLS

11. The Council is the supervisory body for the DoLS process who has statutory responsibility for considering a deprivation of liberty request received from a managing authority e.g. a care home, commissioning the statutory assessments and, where all the assessments agree, authorising deprivation of liberty.
12. The DoLS Team is a relatively small service within the Adults, Health and Wellbeing Directorate of approximately 10 full time equivalent staff, some of whom also support the Safeguarding function. The team deals with the assessment of people who lack mental capacity and who need to be placed and detained in care homes, respite care or hospitals for their treatment or care in order to protect them from harm. Essentially, if someone loses mental capacity and becomes unable to consent to care or treatment, it may be in the individual's best interest for someone to make a decision for them about their care and where they should receive it (the most common example being the placement of someone in a care home).
13. Deprivation of Liberty Safeguard procedures are provided under the Mental Capacity Act 2005 and are there to ensure that no one is detained when it is not in their best interests and to prevent arbitrary detention where other possible alternatives have not been considered.

14. The DoLS Team receives referrals from care providers to undertake / arrange independent DoLS assessments for individuals. Each assessment is made of 6 elements that are completed by 2 different assessors:

- one is usually a medical professional who undertakes the mental health elements of the assessment, and
- the other is a 'best interest assessor', often a social care professional who has completed extra training in order to be able to undertake the assessments..

15. All mental health assessments are outsourced to appropriate medical professionals. Best interest assessments are completed by a combination of Council staff and external assessors. Best interest assessments (this is the part that can be done internally) take between 6-10 hours to complete. A Supreme Court Decision in 2014 led to an increase of tenfold in the number of assessments required to be carried out by local authorities. Doncaster Council is receiving requests at a rate of approximately 130 per month.

16. Backlogs

16.1. Significant backlogs were identified within the process throughout, with delays in the completion, review and eventual signoff of the assessments. Nationally however, such backlogs are not uncommon. The current level of outstanding work is as follows;

	No. as at 6 th July 2017	No. as at 22 nd January 2018	No. as at 06 th March 2018
Cases not yet allocated for assessment (includes new referrals received in the email inbox)	415	261	107
Cases in progress (assessment in progress or awaiting input to CareFirst after completing the assessment)	Not available	299*	225*
DoLS granted cases awaiting sign off	326	53	55
DoLS not granted cases awaiting sign off	511	608	908^
Other information			
Cases where a notification needs to be sent out	Not available	558	913
Forms returned to the Council that have not yet been input to CareFirst (<i>NB these are individual assessments and not cases – some cases will have both an MHA and BIA form to input</i>)	Not available	163	30
Notifications of moving / death not yet actioned	Not available	13	0

* this is the number of cases where both the BIA and MHA assessments are outstanding.

^ These are not all true 'not granted' cases where the person is deemed to have mental capacity, the majority of these are where the person has died or moved locations which still need signing off. This number has increased due to significant work carried out to clear cases where the person has died or moved location. Work is due to start shortly to sign these cases off.

16.2. The DoLS team has been working hard to reduce the number of requests and returned assessments held in the email inbox. Significant work has been carried out to remove any assessment requests that are no longer required, in particular, where the person has died or moved locations. This has had a considerable positive impact on the average number of days a case is waiting for BIA and MHA allocation. This has reduced from 156 days to 43 days for BIA allocation and from 158 days to 39 days for MHA allocation. This also has had an impact on the number of cases awaiting

allocation and the number of 'not granted' cases awaiting signoff. This is a significantly better position than has previously been reported.

17 System / Process and management information

- 17.1 Previously processes within the DoLS team for monitoring best interest assessments commissioned were poor, with over reliance on spreadsheets that were not fit for purpose and caused additional manual work (because only one person could update the spreadsheet at once). This process has been essentially replicated in CareFirst which has caused similar issues resulting in a system that is not currently fit for purpose and a process that is not being properly complied with. The systems in place are still heavily reliant on manual intervention and manual monitoring. Changes within the system will be necessary to remedy the issues identified but, unlike its predecessor, this process can be improved and made fit for purpose. The current system is being bypassed, data quality is poor, compliance with new processes is poor, which is leading to data quality issues and general confusion. The system is currently incapable of producing the statutory annual return, which for the current year will need to be manually calculated after data corrections have been completed.
- 17.2 There is no performance monitoring carried out as no performance indicators or targets have been set and no management tools are used to demonstrate the team's progress against targets. The CareFirst system has been programmed with associated "triggers". These are essentially reminders to complete various elements of the process. These are activated by the completion of a previous stage in the process. It is possible to monitor these "triggers" or actions to ensure that actions are completed in a timely manner; however, these actions are not being routinely signed off and are building up within the system. Therefore management are unable to determine what backlogs and delays are being caused by staff, poor computer setup, demand or competency issues. Without clear information to identify root causes of the delays and issues, resolution is not possible.
- 17.3 A reliance on an email storage system (folders for the storage of documents within an email box) is inappropriate and leaves the process exposed to data protection risks. The email box is being used as a work flow system to drive assessments and returns, however this is unsafe. Emails can be moved or deleted, or even modified without leaving an audit trail. Documentation that needs to be retained can easily go missing or be missed. In addition, email is not intended to be used to store data long term, nor is the email system a suitable retrieval system for data subject access requests as they are difficult to search and are not indexed under normal searchable criteria

18 Performance

- 18.1 The level of outstanding work at any point in time remains difficult to calculate and requires significant amounts of manual intervention. A large report is received on a daily basis and is filtered and counted. The number of emails and requests and assessments in email inboxes are manually counted and added to the figures, followed by manual data validation on the figures produced to correct data quality issues (assessments that are showing at the wrong stage in the process due to a failure to complete a "trigger" or action within the CareFirst system). This needs to be addressed urgently to improve the reliability of performance information and improve the efficiency of the process. In order to do this, running the process from an email box will need to cease with referrals and assessments being transferred / indexed and controlled directly from the EDM system.
- 18.2 DoLS standards require that an assessment is completed within 21 calendar days. This statistic is not currently monitored within the Council but assessment of the

current backlogs at the various stages strongly suggest that very few assessments are actually received, actioned and signed off within this timescale.

- 18.3 No exception reports have been developed to inform the team of any part of the process taking longer than expected or to monitor the actual length of time taken from receipt of a referral to the ultimate completion of the case and notification of the outcomes to those involved. Similarly, there are no exception reports identifying any cases stuck at particular stages, parts of the process not being completed or data quality errors that require correction. In addition, there are no monitoring reports covering performance or the number of assessments completed within the 21 day target

19 Data Quality

- 19.1 Data quality within the process is poor, with missing and inaccurate information in the CareFirst system and spreadsheets in use and with data not routinely updated on the financial spreadsheet in a timely manner (or in some cases accurately).
- 19.2 Validation exercises carried out to verify that data uploaded to the CareFirst system after migration were undertaken, however, staff checked their own work. This has resulted in few changes being made to the existing incorrect/inaccurate data, especially where staff had forgotten or were not fully aware of the process being followed. These issues have continued after migration. Validation checks undertaken by the DoLS Officer show and confirmed by audit testing, that parts of the process remain incomplete.
- 19.3 To compound the above, any qualitative reviews or validation exercises for performance information on the cases input onto CareFirst, are not routinely recorded or the issues addressed with the staff member concerned. These are usually corrected on the system but no learning is facilitated by providing feedback to the member of staff found to be non-compliant with the process. This lack of learning from the errors identified continues to compound the data quality issues already within the system and continues to divert resources away from addressing the assessments outstanding.

20 Approved Assessor lists and payments to assessors

- 20.1 Payments made to assessors now comply with financial procedure rules with all assessments being paid in arrears; however, there are still delays in paying assessors for work completed due to the inefficient working practices and delays in processing assessments received in the DoLS email inbox. The team do not reconcile payments made to assessments completed so are unaware if there are cases that should have been receipted on P2P (as the service having been delivered) and paid until an assessor chases for payment.
- 20.2 Approved lists in use for the Mental Health Assessors and Best Interest Assessors are incomplete and not up to date. No verification checks are made on information received from assessors. (The qualifications are accepted as read with no checking and references are not obtained). Information about accepted assessors is maintained on a spreadsheet. Examination of this found that for 16 assessors, the liability insurance had expired. These had not been chased up. It is likely that these insurances were renewed, however, without a suitable process to follow-up on expiries, the possibility of uninsured assessors cannot be ruled out.
- 20.3 Whilst reviewing the assessors list, it was also noted that no IR35 assessments have been carried out since October 2016, despite this being raised previously as a serious concern during the initial review. It is not clear why these assessments were stopped on new assessors. Examination of the supplier set up forms (forms completed and sent to the Procure to Pay team (P2P) to set up new assessors on the P2P system for payment) shows that the DoLS team are answering the question regarding IR35

checks by either leaving it blank (which is an issue for the P2P team themselves) or by stating that the checks have been undertaken when in fact they were not. All assessors set up from October 2016 need to be checked now to ensure that these assessors are not breaching IR35 Tax rules.

21 Notification of Outcomes

- 21.1 Relevant parties are not being notified of the outcome of DoLS assessments. As such, Managing Authorities (e.g. a car home) are not aware that a DoLS has been granted and may not be complying with any special conditions set for that person. Similarly, with any non-granted cases, those applying for a DoLS may not be aware of the fact that the DoLS was not granted and may be depriving a person of their liberty unlawfully.
- 21.2 Once an assessment has been signed off, a trigger / action within the system is raised to instruct the Administration team to generate the relevant letters on the system. However, these are not being routinely actioned unless someone phones in to chase up a request.

22 Data Protection

- 22.1 Significant concerns remain regarding data protection in terms of the data exchange between the DoLS team and individual external assessors. There are insecure transfers of sensitive personal data between the DoLS team, external assessors and Managing Authorities. Emails are received in for referrals and this cannot be avoided (in addition, this is a data protection issue for the referring body and not the Council). When allocated, emails are created and sent to assessors with an attachment containing the personal details of the person to be assessed. Attachments to emails are password protected, however this password has been in use for a considerable amount of time without being changed. These passwords are also easily removed.
- 22.2 When replying / sending back their assessments, assessors use unprotected Gmail and Hotmail accounts. The assessments sent back are highly sensitive and should be protected but are usually only protected by passwords (if at all). This is not considered to be an appropriate arrangement. In addition to this, external assessors have not been made aware of their responsibilities regarding data protection. As they process information on behalf of the Council, they are in effect data processors but the responsibility (and therefore costs) for any breach, remain with the Council. It is important therefore, that the process is designed with data protection in mind.
- 22.3 To address the above, it is strongly recommended that the CareFirst or any replacement system identified under DIPS (the Digitally Integrated Peoples Solution), allows these external assessors input through the firewall to the system to directly input assessments themselves. This would remove the data protection risks (if access was properly controlled) and would mean that manual tasks currently being undertaken by the Admin Team (copying and pasting the contents of an assessment manually into CareFirst) are avoided. It is acknowledged that this is a longer term recommendation. In the interim period, it is strongly recommended that use of the Council's ENCRYPT emails system is used to protect the data. Using this system, the assessors would create a user name and password to access information sent to them directly. By using the same system (logging in and clicking reply), returned assessments can be submitted WITHOUT using unsecure email addresses, protecting the information in transit at all points and thereby minimising the risk of a data protection breach and the associated investigation and costs.

23. Internal Audit will be working closely with the directorate in overseeing and tracking the implementation of the agreed actions and will report as appropriate to future Audit Committees.

EXEMPT REPORT

24. This report is not exempt.

RECOMMENDATIONS

25. The Audit Committee is asked to note the audit review and the actions taken to date to address the issue by the Adults, Health and Wellbeing Directorate.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

26. Adult safeguarding is a fundamental part of the Council's remit and the Council needs to ensure that it complies with DoLS requirements to ensure that the liberty and rights of those needing care are not infringed. Ensuring that the service is fit for purpose and operating effectively is critical to supporting adult safeguarding and ensuring that in providing this service, the Council complies with the Care Act and safeguards its most vulnerable citizens.

BACKGROUND

27. This report provides the Audit Committee with information on the outcomes from and progress of the DoLS review and associated improvements and allows the Committee to discharge its responsibility for monitoring the Council's exposure to risks.

OPTIONS CONSIDERED AND REASON FOR RECOMMENDED OPTION

28. Not applicable.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

Outcomes	Implications
Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future; <ul style="list-style-type: none">• Better access to good fulfilling work• Doncaster businesses are supported to flourish• Inward Investment	None
Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; <ul style="list-style-type: none">• The town centres are the beating heart of	None

Outcomes	Implications
<p>Doncaster</p> <ul style="list-style-type: none"> • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	<p>None</p>
<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	<p>The DoLS function is part of the Adults, Health and Wellbeing directorate who lead on adult safeguarding. The purpose of the DoLS function is to safeguard the liberty and rights of vulnerable individuals. Ensuring that the service is fit for purpose and operating effectively is key to ensuring that the Council complies with the Care Act and safeguards its most vulnerable citizens.</p>
<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>None</p>

RISKS AND ASSUMPTIONS

29. Failure to address governance and operational and management weaknesses within the DoLS function exposes the Council to the following risks:-
- Potential reputational damage to the Council as a result of a failure to undertake assessments within the required timescales;
 - Potential legal litigation as a result of any failure to / delay in the assessment of an individual's circumstances should it be determined that an individual had been wrongly detained in a care environment;
 - Potential financial loss as a result of a failure to control payments being made to mental health and best interest assessors;
 - Potential breach of the law.

LEGAL IMPLICATIONS (HJ/HMP, 13/3/18)

30. The local authority has a duty to determine whether or not to authorise the deprivation of liberty of a person who lacks capacity to agree to this who lives in a care home or hospital when the care home or hospital makes an application for this to be done. If a person who lacks capacity is being deprived of their liberty in a care home or a hospital and this has not been authorised then they are being illegally detained.
31. Failure to improve the processes carried out by the DoLS team potentially causes a detrimental impact upon the reputation and business affairs of the Council and could possibly result in litigation as a result of a failure to / delay in the assessment of an individual's circumstances should it be determined that an individual has been illegally detained in a care environment.
32. The Council is at risk under the Data Protection Act 1998 of fines from the Information Commissioner if personal data is unlawfully disclosed and individual officers may face criminal prosecution in the circumstances for deliberately failing to follow the Council's data protection processes.

FINANCIAL IMPLICATIONS (NC, 13/03/18)

33. The budget for the DoLS Service which is part of the Adults, Health and Wellbeing budget for 2017/18 is;

DoLS General	£325k Including £207k Improved Better Care Funding (IBCF)
MCA/DoLS General	£219k Including £86k IBCF
MCA/DoLS Training	£ 26k

The above budgets include additional funding from IBCF of £293k which was granted due to projected pressures in the service due to increased assessment numbers.

HUMAN RESOURCES IMPLICATIONS (DD, 13/03/18)

34. There may be retraining requirements resulting from the review and possible recruitment or secondment requirements which will be carried out in conjunction with normal HR processes.

TECHNOLOGY IMPLICATIONS (PW, 13/03/18)

35. It was identified that a failure to implement a suitable technological solution and a heavy reliance on alternative and manual systems to store data have been a significant contributor to

the problems of the team. Any further changes to the system should be made with consideration to the transfer to the Digitally Integrated People Solution (DIPS) process and whether changes are required prior to this transfer.

36. In addition, email is not intended to be used to store data long term, nor is the email system a suitable retrieval system for data subject access requests as they are difficult to search and are not indexed under normal searchable criteria.

HEALTH IMPLICATIONS (VJ, 13/03/2018)

37. Access to health and social care has the potential to impact on 20% of population health status. The deprivation of liberties safeguards (DoLS) service deals with people with mental capacity issues who are some of the Authority's most vulnerable people. Given that the audit report gave a "no assurance" opinion of the operation of the processes overall, which indicates major risks to the DoLS processes, there is potential for adverse health implications to this group of vulnerable population even though the report indicated no concerns regarding safeguarding (paragraph 7). The recommendations of the internal audit agreed with service providers will need to be monitored to ensure full implementation.

EQUALITY IMPLICATIONS (NFW 14/03/18)

38. The DoLS service serves vulnerable adults with mental capacity issues. The failure of the service would impact on some of the Authority's most vulnerable people.

CONSULTATION

39. Senior management within the Adult Health and Wellbeing directorate and staff within the DoLS team have been consulted with throughout the period of this review.

BACKGROUND PAPERS

The Mental Capacity Act 2005

Appendix A - DoLS Background Information

Deprivation of Liberty Safeguards (DoLS) Interim Audit Report - Audit Committee 27th July 2017

Internal Audit Deprivation of Liberty Safeguards (DoLS) Process Review report 8th March 2018

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Peter Jackson
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Doncaster Council

Report

Date: 5 April 2018

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

SOLAR CENTRE – PROGRESS REPORT

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Rachel Blake	All	No

EXECUTIVE SUMMARY

1. In April 2017, Audit Committee members were informed of the circumstances surrounding the Solar Centre, which is a Day Centre (provided by Rotherham, Doncaster & South Humber NHS Foundation Trust) for people with learning disabilities. The contract for this provision expired in 2014.
2. The Solar Centre provides learning disability day services. The failure to carry out a procurement process for the service became a CPR breach with effect from April 2014. Services continued to be provided to and paid for by the Council after the end of the original contract and subsequent CPR waiver period was reached without a formal contractual arrangement having been set up.
3. This report summarises a backward looking review carried out by Internal Audit into how the breach occurred and the improvement actions that are aimed at preventing future occurrences, and progress being made in resolving the breach with the Solar Centre, alongside ensuring there is appropriate service provision for current users of the Centre.
4. The key weaknesses were:
 - There has been and still is a lack of any formal contractual documentation binding the agreement between the Council and RDaSH for the services provided.
 - There has been a lack of detailed contract monitoring throughout the period.

- The responsibility for managing the contract rested substantially with one person at the Council (who left in 2016), who did not ensure there were appropriate contracts in place or any effective contract management. The Officer also allowed service variations that did not represent good value for the Council.
- Added to this, the Officer failed to explore and take opportunities to achieve savings for the Council including recovering Continuing Health Care costs and adjusting for potential double payment for services.
- This was exacerbated by a lack of senior management monitoring and challenge, which meant weaknesses were not highlighted and dealt with.
- There has been a lack of management priority and action to address the breach after it was highlighted by the Corporate Procurement Team in 2015, including a lack of project planning and project management to implement the changes required.
- Senior management reports, including to the Audit Committee, have overstated progress in addressing the breach.
- Lack of visibility to corporate teams (eg Finance, Legal, Procurement) that could have led to challenge from them and support to progress the issue. All relevant teams are now involved as appropriate in assisting in remedying the situation.

5. The consequences of the current position are:

- The value of the payments made by the Council for the Services provided exceeds the EU procurement threshold limit (the service falls under the Light Touch Regime that has a current threshold of £589,148; above this threshold a procurement process should be held).
- The Council cannot demonstrate it is achieving best value for these ongoing services.

Improvement Actions

6. Key actions recommended by Internal Audit following its review and progress being made by management on these actions are tabled below:

Action	Status – March 2018
Solar Centre, current situation resolution – allocate responsibility; produce a clear project plan with timescales, report to and challenge by each DLT	<p>Ongoing:</p> <ul style="list-style-type: none"> • The Assistant Director, Adult Social Care is now the DLT Lead for the Solar Centre breach rectification. • A project to develop and implement a strategic plan for the future of Residential and Day Care Services for people with Learning Disabilities is underway. A dedicated Project Lead is now in place. There have been regular Project Group meetings since April 2017. • A Joint Project Board was set up June 2017 and has met regularly since. Key principles and reporting structures have been agreed.

	<p>The Board is responsible for monitoring the project plan and unblocking problems.</p> <ul style="list-style-type: none"> • A Milestone Plan, Appendix A is in place ending in the procurement of new services (where appropriate) by June 2018. However, there has been some slippage on elements of the plan which has affected the end date of the project (likely to be December 2018). • Update reports are now being discussed at the Directorate Leadership Team.
Review of all significant current contracts to ensure full and current legal agreements are in place	A list of individual contracts with spend over £half million annually has been produced and is being worked through to ascertain whether there are further contracts without legal agreements in place.
Review of the resourcing of the Adults Plan for dealing with contracts in breach / coming to an end to ensure further breaches are minimised - allocate responsibility; identify clear reporting lines and frequencies.	<p>Corporate Procurement staff attend the Adults Services Directorate Leadership Team to provide regular updates on risks and issues regarding breaches, contracts coming to an end and off-contract spend.</p> <p>A 4 year commissioning delivery plan was reported to Audit Committee in October 2017. Its effectiveness is dependent on additional resources being in place and strong compliance / monitoring control operations.</p> <p>Appointment exercises commenced in December 2017 for both temporary and permanent posts. Some posts have been filled, however recruitment to others is still ongoing.</p>
Review of Adults Commissioning / Contracting arrangements (including strategy, responsibility, split of functions, rotation of staff, sharing of information, standard minimum documentation / processes etc.)	A 4 year Commissioning Strategy / Plan was agreed by AHWb Board and reported to Audit Committee in October 2017. Commissioning / Contracting arrangements will be realigned to meet this Strategy.

7. It should be noted that these are failings by the Council and are not a comment on RDaSH or the Solar Centre itself. It should also be noted that the original breach and subsequent lack of remedial action highlight above precede the appointment of the current Director of People and the Assistant Director, Adult Social Care, who are now both taking steps to address the situation.

8. Within the context of the developing wider Learning Disability Strategy, the

Council's Transformation Plan and the local Place Plan, the Council in partnership with Doncaster Clinical Commissioning Group (CCG) and RDaSH is currently reviewing all placements within six Registered Care Homes managed by RDaSH. This is inextricably linked with the Solar Centre as over half of the current residents in the RDaSH Residential Homes also attend the Solar Centre.

EXEMPT REPORT

9. This report is not exempt.

RECOMMENDATIONS

10. It is recommended that Audit Committee members note that:

- (i) a project is now well underway closely aligned to local transformation priorities, initiatives and partnerships. Please see Appendix A detailing key milestones. Specifically, the aim is for improved outcomes for people through services that are more aspirational and provide greater choice and control for service users.
- (ii) commissioning decisions on the Solar Centre can only be taken in the context of the broader RDaSH project. Service user reviews and initial 'best interest decision' meetings have taken place and this has informed strategic recommendations about future commissioning of services which will be presented to the Joint Board in April 2018.
- (iii) additional project and financial resources have been provided to enable the project to progress. This reflects the priority given to the project by the Council and its partners. Originally it was anticipated that the project would be completed by June 2018. However, delays during the reviews of and engagement with service users means that there will be slippage to the target end date. It is now anticipated that work on this project will be completed by December 2018.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

11. There is a need to review services for people with learning disabilities currently provided by RDaSH to ensure the best possible outcomes for service users and that commissioned services demonstrate value for money.
12. Options for transformation of these services will be consistent with the Doncaster Place Plan, the Transforming Care Programme and the Adult, Health & Wellbeing Directorate's 'Your Life Doncaster' Transformation Programme. Specifically, the Council and its partners want to commission services which enable independence and resilience, drive ambition and confidence, facilitate greater choice and control and enable community participation.

BACKGROUND

13. This report provides the Audit Committee with the key findings and conclusions from the Internal Audit investigations. It also seeks to give assurance that improved processes and actions are being implemented

which should help to prevent further CPR breaches by the Directorate of Adults, Health & Wellbeing in the long terms. RDaSH provides Day Care and Residential service for people with learning disabilities in Doncaster. There is a direct contract with the Council for two Care Homes and a Day Service, and a contract between the Council and South Yorkshire Housing Association (SYHA) for the provision of four Care Homes.

14. Solar Centre currently provides day opportunities for 50 people. This has reduced in recent months from an original figure of 54. Three people have been supported to access alternative day provision and one service user has, sadly, passed away. The current 50 attendees live across Doncaster in the following settings:
 - 21 live in RDaSH Residential homes
 - 13 live in Supported accommodation
 - 16 live with their families.
15. There are a number of people who have attended for many years, and some for whom families depend on the Solar Centre to provide them with regular breaks from caring. To meet future need and aspirations, careful planning is required to ensure that changes are managed to minimise disruption and anxiety to people who use the services and their families/carers.
16. An overarching project has been established focussing on both the Solar Centre and the RDaSH Registered Care Homes in order to ensure robust strategic planning for the future delivery of transformational services. Services that deliver the best outcomes for people and that are truly aspirational, provide service users with greater choice and control, and demonstrate value for money.
17. Significant progress has been made on the project as a whole since April 2017. The ambitious target for project completion was 30 June 2018; however it is likely that there will be slippage with some elements of the project, particularly as the pace of work with individuals has to be tailored to their particular needs. The Project Board is advised on a regular basis of any slippage that could impact on the end target date. Currently a delay with service user and family engagement has caused project slippage. The need to work sensitively with the service users and their families/carers on the Best Interest Decision-making meetings and in some cases to ensure appropriate advocacy was in place, meant that some meetings have taken longer to arrange and thus meant that there has been some delay in analysing the final information from those meetings. The project plan is being amended to reflect this and it is now anticipated that a more realistic completion date for the project is December 2018. This will be clarified once the strategic recommendations have been considered at the Joint Board in April 2018.
18. Project activity to date comprises:
 - A Joint Project Board has been established with senior representation from relevant organisations chaired by the Director of People, working to shared principles with a clear plan, key milestones, timeframe and appropriate governance. This Board reports into the 'Working Age Adults with a Disability' Project Board which in turn reports to the Your Life Doncaster Transformation

Board.

- Project leadership has been independently contracted and additional resources have been provided for a review team to undertake reviews of service user need in partnership with CCG colleagues.
- A Joint Project Group has been in operation since April 2017 and meets fortnightly. It is charged with implementing the project plan, managing risk and making clear recommendations to the Project Board. Membership includes legal, procurement and finance colleagues in addition to Council and CCG Commissioners.
- An operation group has been established to coordinate outcomes from service user reviews, ultimately ensuring that each service user has a personalised and costed future care and support plan aligned to agreed commissioning intentions.
- Strategic reviews of both the Solar Centre and RDaSH Residential Homes are well underway to ensure a robust approach to determining future commissioning requirements. The project lead will be taking a report containing strategic recommendations about future provision to the Joint Project Board on 19th April 2018.
- A communications plan developed to ensure appropriate responses to enquiries and to enable effective engagement with relevant stakeholders.
- All 50 Solar Centre attendees have had their care and support needs reviewed. In addition to the service user reviews, Capacity Assessments and Best Interests Decision-making meetings have been carried out as appropriate to identify and inform future commissioning requirements. Service users without family or carers have been supported throughout this process by independent advocates.
- Financial mapping and modelling has been undertaken to understand current costs, pressures, funding responsibilities and to map the funding available for the commissioning of future care and support provision.
- Ongoing appropriate and robust engagement with service users and their families/carers is being coordinated and undertaken to support them to manage future changes, particularly recognising that many of the individuals who attend the Solar Centre have complex needs.
- Discussions are taking place with the CCG in respect of Continuing Health Care funding.
- A letter has been sent to RDaSH outlining an ongoing agreement for delivery of services commissioned by Doncaster Council. The letter sets out contractual terms for RDaSH as supplier of services up to the 30th September 2018.
- Work has commenced to engage the Provider market to explore possibilities for day opportunities either through existing provision or through newly commissioned services.

19. Commissioning decisions specifically relating to the Solar Centre can only be taken in the context of the broader RDaSH project and only after the strategic and service user reviews and initial Best Interests Decision-making meetings have been completed and appropriate consultation has been undertaken. The full analysis of need will be presented to the Joint Board in April 2018 with a view to formally consulting on options for individuals going forward from June 2018. It could be that some service users may transition quickly but for others with more complex needs any recommendations could

take longer to implement. To reflect the need to move at a pace that is respectful of needs and complexity, the project has been extended up to December 2018. However intensive work is currently underway (and will continue), to identify alternative appropriate day opportunities for those service users who can be supported to access new provision if that is the outcome from their reviews and best interest meetings. It is important to note that approaches will need to be flexible enough to take account of the complexity of individual need.

20. A robust process is in place to collate and analyse findings from reviews to support strategic commissioning decisions. Key findings from service user reviews and Best Interest Decision-making meetings to date include:

- A strong indication that more personalised services can be provided for people who currently attend the Solar Centre.
- Alternative options being considered include use of personal assistants, shared Lives and commissioning person-centred day opportunities as part of a 24 hour care and support contract.
- Personal Budgets/Direct Payments will be used to support as many individuals as possible to access more personalised day opportunities in the community. Therefore service users will be able to exercise maximum choice and control.
- The individuals with extremely complex needs are likely to require access to a building-based service including changing facilities. Work is underway aligned to transformation of the Council's Day services for people with learning disabilities to consider options for access to alternative buildings. This will include market-testing with Providers.
- 21 are currently funded for 24:7 care and it is likely that outcomes-focussed day opportunities could be provided in that setting.

21. As a result of the reviews, there have already been changes to plans for a small number of people and this has resulted in people leaving the Solar Centre and having their need for day activities met within their overall 24 hour care package. The work to identify suitable person-centred day opportunities for other service users continues and it is anticipated that more service users will access alternative day activities thereby further reducing Solar Centre attendance numbers in the forthcoming months. This will be managed through the operational group.

22. Service users and families have been advised of the overall strategic review of both the RDaSH Residential Homes and the Solar Centre. They are aware that services could change and have discussed this as part of the Best Interest Decision-making meeting (including the use of independent advocates as required) on the potential future options available.

23. It is difficult at this stage to give specific details about likely costs of support for people who may access alternative day opportunities. It very much depends on the needs of the service user, the types of facility required to meet those needs and outcomes and future contracting arrangements.

24. At the present time it is not possible to be specific about timescales for individual service users as this will depend on individual need and the future commissioning of services to meet these needs. It has been identified from

reviews (although a challenge process is underway) that as many as 27 people may, at least in the short term, need to continue to access a building base for their day opportunities and therefore there needs to be careful consideration of how these needs are to be met. For example, individuals may opt to have a direct payment to fund day care provision and this may indeed continue to be delivered at the Solar Centre. In other cases, other day provision that can meet complex needs (such as In-House provision within the Council) may better be able to meet those needs.

25. Potential outcomes for the Solar Centre service users could be as follows but clearly there will need to be significant engagement and consultation before final decisions are made:

- Around a third of service users currently live in Supported accommodation – Supported Living providers are working with service users exploring day opportunities. This priority activity will continue.
- Almost half of the service users are currently residing in RDaSH Residential homes – reviews indicate that a high proportion of these service users would achieve improved outcomes in a Supported Living setting. Their families/carers have been involved in this along with advocates where appropriate. Work is currently underway to identify how this might be provided with a decision to be made at the April 2018 Joint Board meeting. It is envisaged that a significant number will access more outcome-focussed day activities using their own Direct Payment thereby giving the service user more choice and control over their care and support.
- There are a significant number of service users who are likely to need a buildings-based service due to the complexity of their needs and many of them live with their families. Early market testing has already taken place with further work with Providers to take place by the end of April 2018.

OPTIONS CONSIDERED

26. As part of the strategic review process, including collation of outcomes from service user reviews, an appraisal of the options available to reconfigure/transform the services will be undertaken. The current plan indicates that strategic recommendations will be made to the April 2018 Joint Board meeting. This has slipped from the target date of February 2018 due to delays in working with service users and their families on Best Interest Decision-making meetings. These are now all complete.

REASONS FOR RECOMMENDED OPTION

27. Not applicable – For information only.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	Implications
	Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives	There is potential with transformation to reinvest in more appropriate services.

	<p>them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<p>People will have greater levels of income and therefore contribute more to communities.</p>
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>People will be supported to have more choice over living a more independent life. More people will have their own tenancy and therefore more control over their daily lives.</p>
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	<p>More personalised day opportunities for people with learning disabilities will enable those service users to improve their skills.</p>
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	<p>These proposals will support people with learning disabilities to make choices about their care and support and live more independently within their communities.</p>

	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>Through transforming services and ensuring greater value for money, it will support sustainability of vital services over time. Current services are not financially sustainable.</p> <p>A review of these services will enable the Council and the CCG to ensure that future services provide value for money and that they align to the personalisation agenda.</p> <p>A joint governance process is in place to ensure strong leadership for the project.</p>
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RISKS AND ASSUMPTIONS

28. A Risk Register is in place which is monitored through the Project Group with ongoing and escalating risks reported to the Joint Board. There is a risk of slippage with the project due to delays in completing reviews for service users and engagement with families.
29. There is also a risk that families will not support proposed changes and this could result in complaints, legal challenge and further delays.

LEGAL IMPLICATIONS [NJD 15/3/18]

30. The value of this contract is above threshold for the purposes of the Public Contracts Regulations 2015 (the 'Regulations') and the service is referred to as a light touch service for the purpose of the Regulations. There was therefore an obligation on the Council to place a notice in OJEU, carry out a procurement exercise and to place a contract award notice. Making a direct award of this contract in this way carries with it a risk of challenge from aggrieved alternative suppliers and the risk of sanctions from the European Commission.
31. This report sets out the plan of how the Council is dealing with the breach and legal support and assistance may be required going forwards.

FINANCIAL IMPLICATIONS [CC 12/3/18]

32. The current annual budget for the Solar Centre is £592,000 but with a fixed annual cost of £742,000 (paid as fixed monthly invoices of £61,833) resulting in a pressure of £150,000 per annum. The most recent unit cost information provided by RDaSH shows a unit cost of £52 per half day session, but the actual unit cost is higher given that activity levels have dropped since the information was provided. RDaSH has recently been

asked to provide proposals on how costs can be reduced as activity levels fall; it is expected that this will be provided by late March for consideration at the April Joint Project Board meeting.

HUMAN RESOURCES IMPLICATIONS [DD 13/3/18]

33. There are no human resources implications for Doncaster Council staff in respect of this report.

TECHNOLOGY IMPLICATIONS [PW 13/3/18]

34. There are no specific technology implications associated with this report.

HEALTH IMPLICATIONS [SH 13/3/18]

35. There are no specific health implications with regard to this report. However, it will be important to ensure that actions to address the breach do not exacerbate or create inequality for people with learning disabilities and we recommend additional contact with the public health team for further advice and/or support.

EQUALITY IMPLICATIONS [AJ 13/3/18]

36. A Due Regard Statement has been completed in accordance with Public Sector Equality Duty. All equality considerations are covered in that document at Appendix B.

CONSULTATION

37. There was consultation with the Director of People at the outset of the audit investigation. Further consultation was undertaken with all Adult, Health & Wellbeing senior officers at the end of the review to ensure that all review findings were accurate and fair. Internal Audit has been consulted regarding the inclusion of the key findings and progress against the actions agreed from their review.

BACKGROUND PAPERS

38. Doncaster MBC, Internal Audit Report – Solar Centre CPR Breach (August 2017).

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APPENDIX A – HIGH LEVEL KEY MILESTONES PLAN January-November 2018 **needs revised dates**

Key Milestone	Jan 18	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	
Resolve outstanding finance issues and sign variation		S	S										
Finalise reviews/BI meeting		S											
Collation and analysis of outcome		S											
Finalise strategic review and options appraisal													
Recommendations to Board/commissioning organisations													
Approvals													
Formal consultation-can align to BIDM and individual consultation with families	Depends	on	what	Is required									
Approval for recommended option													
Deregistration of properties where appropriate													
Commission new Providers/Services where appropriate-some of this may happen earlier dependent on the process and recommendations from reviews													
Transition Planning													

Completed	
In progress	
Not yet commenced	
Slippage	S

EQUALITY, DIVERSITY AND INCLUSION

DONCASTER METROPLITAN BOROUGH COUNCIL

Due Regard Statement

TRANSFORMATION OF RESIDENTIAL AND DAY CARE SERVICES PROVIDED BY RDaSH IN DONCASTER

How to show due regard to the equality duty in how we develop our work and in our decision making.

Due Regard Statement

A **Due Regard Statement** (DRS) is the tool for capturing the evidence to demonstrate that due regard has been shown when the council plans and delivers its functions. A Due Regard Statement must be completed for all programmes, projects and changes to service delivery.

- A DRS should be initiated at the beginning of the programme, project or change to inform project planning
- The DRS runs adjacent to the programme, project or change and is reviewed and completed at the relevant points
- Any reports produced needs to reference “Due Regard” in the main body of the report and the DRS should be attached as an appendix
- The DRS cannot be fully completed until the programme, project or change is delivered.

<p>1 Name of the ‘policy’ and briefly describe the activity being considered including aims and expected outcomes. This will help to determine how relevant the ‘policy’ is to equality.</p>	<p>To review the Solar Centre and current residential care provision for people with a learning disability currently delivered by RDaSH</p> <p>Considerations will include:</p> <ul style="list-style-type: none"> • How to achieve the best outcomes for people • Are the services still fit for purpose • Are the properties suitable • Is this the most cost effective option (it is known that Doncaster is paying for 24/07 residential care but 38% of these individuals are also accessing the Solar therefore there is a need to explore the true cost. <p>The purpose of the review is to ensure that future commissioning decisions are based on a clear understanding of service users, their families/carers, the service, its functions, costs and outcomes and where it fits with current transformation plans and priorities. The contract for the Solar Centre is currently in breach of Procurement Regulations and has not been renewed since 2014.</p> <p>This strategic review is being undertaken by Doncaster Council but also jointly with Doncaster Clinical Commissioning Group.</p> <p>The review methodology centres on working with service users and their families/carers using a person-centred, strengths-based approach to planning future care and support. Ambition and identified outcomes will inform future commissioning decisions. This, along with information about Day Centre attendance and activity levels, residential home occupancy, cost, value for money, qualitative feedback and performance information will enable options for future provision to be identified.</p> <p>Once the review has been concluded and the commissioning options identified, a formal consultation with all relevant stakeholders may be required.</p> <p>This activity will have particular impact for people with disabilities (particularly those with a</p>
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		learning disability) and people of all ages including individuals who share both of these protected characteristics. There will also potentially be an impact on the service users' families and carers.
2	Service area responsible for completing this statement.	Doncaster Strategy and Performance Unit
3	Summary of the information considered across the protected groups.	<ul style="list-style-type: none"> • Data has been taken from the CareFirst cohort report which was run in December 2016 • Poppi and Pansi projections based on the 2011 Census. • The Care Act • Transforming Care Agenda <p>The residential services being reviewed consist of 52 places across 6 establishments, 47 of which are currently being utilised (29 females and 18 males). Poppi/Pansi projections based on the 2011 Census suggest that there are approximately 5,600 people with some level of learning disability within the borough of Doncaster of which 811 are known to Doncaster Adults, Health & Wellbeing. This is a significant client group with ongoing care and support needs and therefore it is essential that either the current or alternative provision is delivered.</p> <p>The criteria to access residential or day services are that the individual is assessed to have a learning disability and an unmet need that requires some level of support. However each protected group has been assessed and the findings are as follows:</p> <p>Whilst the residents of the care homes can be of varying ages all may have complex needs. Some are quite elderly and have lived these establishments for many years. Any change could cause distress which needs to be considered and managed carefully so that any distress is minimised.</p>

<p>Service users/residents</p>	<p>Age: Of the 811 individuals with a learning disability already known to Doncaster Council 697 are aged 18-64 and 114 are over 65 years of age and 139 of these live in a residential establishment therefore a knowledge and understanding of the needs of different age groups is already established and there are no restrictions imposed and age breakdown of the 47 individuals affected by this statement is currently not available although it is known that a number are very elderly.</p>
<p>Protected Characteristics</p>	<p>Disability: All individuals affected by this statement have a learning disability with some having particularly complex needs. Some are elderly/very elderly and therefore it is likely that some if not all residents will have some kind of physical disability and potentially an element of dementia.</p> <p>Gender: Of the 811 individuals with a learning disability already known to Doncaster Council 371 are female and 440 are male, 139 of which live in a residential establishment.</p> <p>Race: The race of the service users affected is unknown but as the service entry requirements is that the individual has a learning disability there are no issues with this protected characteristic, therefore further investigation was not deemed necessary.</p> <p>Sexual Orientation: The sexual orientation of the service users affected is not recorded but as the service entry requirements is that the individual has a learning disability there are no issues with this protected characteristic, therefore further investigation is not deemed necessary.</p> <p>Religion/Belief: The religion/belief of the service users affected is unknown but as the service entry requirements is that the individual has a learning disability there are no issues with this protected characteristic, therefore further investigation was not deemed necessary.</p> <p>Maternity/Pregnancy: There is no data in relation to maternity/pregnancy for the service users affected but as the service entry requirements is that the individual has a learning</p>

	<p>disability there are no issues with this protected characteristic, therefore further investigation was not deemed necessary.</p> <p>Gender Reassignment: There is no data regarding gender reassignment in relation to the service users affected but as the service entry requirements is that the individual has a learning disability there are no issues with this protected characteristic, therefore further investigation was not deemed necessary.</p> <p>Marriage/Civil partnership: There is no data regarding marital/civil partnership status in relation to the service users affected but as the service entry requirements is that the individual has a learning disability there are no issues with this protected characteristic, therefore further investigation was not deemed necessary.</p> <p>Most of the individuals affected by this statement have had a review undertaken to ensure that a full picture of their current status and needs is available and plans are in place to review the few still outstanding. A further review may be undertaken once the options have been identified.</p> <p>The workforce is employed by RDaSH and once the way forward has been determined a further due regard statement will need to be completed to ensure that all protected characteristics are identified and addressed as part of the implementation process.</p>
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	Doncaster Workforce	
4	Summary of the consultation/engagement activities	<p>All service users within the residential homes and in attendance at Solar Centre have recently had a strengths-based, person-centred review of their needs.</p> <p>There is a project group which includes members from Doncaster Council, CCG, RDaSH, SYHA and Sanctuary Housing which meets on a monthly basis.</p> <p>Service users and their families/carers have been consulted as part of the review process. Independent advocacy has been available to all service users who are not able to represent themselves or do not have suitable representation from their own families/carers. RDaSH staff across both services have been consulted.</p>
5	<p>Real Consideration:</p> <p>Summary of what the evidence shows and how has it been used</p>	<p>The Solar Centre was commissioned in 2009 as part of the resettlement of people from Doncaster's long stay hospital and has facilities for people with complex needs; however, attendance levels have reduced over the past few years which is causing financial issues for RDaSH, particularly as the number of sessions delivered has remained fairly constant.</p> <p>It has been recognised that the service needs to be reviewed and whilst it is acknowledged that there may be a need for day centre provision for some of the people who currently use this service "one size fits all" is no longer appropriate and many would benefit from more bespoke community based services, possibly through a personal budget/direct payment.</p> <p>Almost half of the individuals living in the residential care facilities attend the Solar Centre and utilise 38% of the activities. Only 16 people from the community are using this facility which leaves a total of 70% of people coming from either the RDaSH residential homes or supported housing. This means that further investigation is required to identify the true cost of the services delivered as whilst it is acknowledge that there will be reciprocal</p>

		agreements in place to mitigate the potential for double funding it increases the argument that there is potential to consider scaling back the day centre services and delivering more community based options, particularly for those living in supported housing who may benefit from more bespoke options.
6	Decision Making	A project group consisting of all major stakeholders is already in place and meets regularly to progress this activity. Once the outcome of the review is in place and the way forward will have to be approved by the Mayor and Cabinet at which point it is anticipated that the project group will take the implementation forward and will ensure that the needs of the protected characteristics highlighted in this statement are given due consideration.
7	Monitoring and Review	A project management approach will facilitate a safe, best practice introduction of any new/changed services prior to or alongside the rationalisation of existing services. The DRS is a live document and as such should be regularly reviewed, revised and updated to ensure that due regard is taken at all points whilst the project is being implemented. The senior manager identified to sponsor the project will have overall responsibility for the due regard of service users. This manager will continuously monitor through the care management team and commissioning managers (Doncaster Council, CCG, RDaSH, SYHA and Sanctuary Housing) assigned to the project. Any new commissioning undertaken by Doncaster Council will be subject to clear scoping of specifications and identify required outcomes which will then be subject to regular compliance monitoring by commissioning and contracts.
8	Sign off and approval for publication	

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Doncaster Council

Report

Date: 5th April 2018

To the Chair and Members of the
AUDIT COMMITTEE

BREACHES AND WAIVERS TO THE COUNCIL'S FINANCIAL AND CONTRACT PROCEDURE RULES

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		Yes/No

EXECUTIVE SUMMARY

1. This Report provides Members with details of all the waivers and breaches to the Financial Procedure Rules (FPR's) and the Contract Procedure Rules (CPR's) for the period **1st October 2017** to the **28th February 2018**.
2. The table below summarises the number of new waivers and breaches recorded by each Directorate since the last audit report presented in **October 2017**. The details of each waiver and breach are summarised in the appendices to this report.

Period 1 st October 2017 to the 28 th February 2018	Breaches	Waivers
Adults, Health & Wellbeing	1	8
Learning & Opportunities: Children & Young People	0	2
Corporate Resources	0	6
Regeneration & Environment	0	5
GRAND TOTAL	1	21

EXEMPT REPORT

3. This report is not exempt.

RECOMMENDATIONS

4. To note the information and actions contained in this report regarding waivers and breaches in relation to the FPR's and CPR's.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

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

BACKGROUND

6. The Chief Financial Officer monitors compliance with the CPR's and FPR's via an update from the Finance and Strategic Procurement Teams, detailing any reported waivers of the CPR's and FPR's and instances of breach.

CONTRACT PROCEDURE RULES (CPR'S)

7. The Council's CPR'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 £181,302** 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 £181,302** use of an In-house supplier, Council wide contract, framework Agreement or carry out a formal tender process.
8. Whilst the EU thresholds are set within the legislation and, therefore, cannot be waived, it is recognised that from time to discretionary thresholds within CPR's may be a barrier to the delivery of the service and, therefore, Council officers can request that the CPR's are waived in specific instances via a CPR 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

9. 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.
10. 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.
11. There has been **one** breach to CPR's reported this period as detailed in Appendix 1.

Update to Breaches previously reported

12. Appendix 1 shows new, existing and resolved breaches. In **October 2017**, there were **seven** new breaches of CPR's reported to Audit Committee as well as updates on **nine** existing unresolved breaches. From this total of **sixteen** new or on-going breaches in October 2017, **eight** had been resolved with **eight** outstanding and unresolved.

Waivers to CPR's

13. **Twenty-one** waivers to CPR's have been approved this period (see Appendix 2 for the detail of each waiver).
14. The waivers detailed in this report have been reviewed and agreed either by the Chief Financial Officer & Assistant Director - Finance, or the Assistant Director of Legal and Democratic Services (for waivers linked to the Corporate Resources Directorate). It was agreed with the Chief Executive to change to

the Assistant Director of Legal and Democratic Services for Corporate Resources waivers.

REVIEW OF PROCUREMENT ARRANGEMENTS ABOVE £5,000

15. The Strategic 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 the CPR's. Where waivers and breaches are identified, they are recorded and appropriate procurement plans agreed and developed if/where appropriate.
16. It should be noted that Adults Commissioning has had an increase in corporate support to rectify procurement governance issues. The whole Directorate has been working with Corporate Resources to rectify historical issues around breaches, the results of which can be seen in the decrease. This report shows a quantitative achievement for the directorate as there has been one breach as opposed to previous Audit Committee reports, for example in April 2017 there were seven breaches and in October 2017 there were six breaches.

BREACHES OF FINANCIAL PROCEDURE RULES

17. There are no reportable breaches to the Financial Procedure Rules (FPR's) between the 1st October 2017 and the 28th February 2018.

OPTIONS CONSIDERED

18. Every waiver is examined and where appropriate challenged for alternative options prior to approval.

REASONS FOR RECOMMENDED OPTION

19. It is clearly important that the Council's Contract Procedure Rules (CPR's) and Financial Procedure Rules (FPR's) 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

20.

	Outcomes	Implications
	Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;	The CPR's state that quotations should be sought from at least one Doncaster based company. This is to encourage local spend where possible.

	<ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	Effective procurement governance ensures best value is achieved from the budgets available.
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	Social value is considered in contracting activity and implemented where possible. This would, partly, promote the use of apprenticeships and volunteering opportunities.
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own home 	Effective procurement ensures that 'fit for purpose' contracts are procured with a high emphasis on quality service delivery.
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and 	Effective procurement ensures best value, effective partnership working and up to date specifications to get the best from the market.

	delivering value for money <ul style="list-style-type: none"> • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	
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RISKS AND ASSUMPTIONS

21. Contractual arrangements with suppliers and breaches to the CPR's expose the Council to reputational, financial, legal and commercial risks. The close compliance monitoring of the CPR's along with the implementation of plans and actions to remedy any breaches seeks to counter these risks.

LEGAL IMPLICATIONS [Officer Initials...NJD... Date.....12/03/18.....]

22. There are no specific legal implications arising from this report. Legal advice has been provided on the individual contracts and waivers detailed within the report and continued legal support will be provided the Service areas in relation to these matters.

FINANCIAL IMPLICATIONS [Officer Initials...AT..... Date...13/03/18.....]

23. There are no specific financial implications attached to this report. Each individual breach and waiver will consider the specific implications for that action. It is important to note that breaches to Contract Procedure Rules risk the Council overspending as checks for sufficient budget being available is not guaranteed to take place.

HUMAN RESOURCES IMPLICATIONS [Officer Initials KG Date15/3/18.....]

24. There are no specific HR implications to this document

TECHNOLOGY IMPLICATIONS [Officer Initials...PW Date...13/03/18.....]

25. There are no direct technology implications in relation to this report. Corporate Procurement continues to consult with Digital & ICT in relation to CPR waivers involving the procurement of technology to ensure that these have been considered by the ICT Governance Board (IGB), where applicable.

HEALTH IMPLICATIONS [Officer Initials... VJDate ...13/03/18.....]

26. There is no direct health implication of this report. The health implications will need to be addressed within each individual contract area identified in the breaches and waivers.

EQUALITY IMPLICATIONS [Officer Initials HW Date 12/3/18]

27. There are no direct equality implications associated with this report and a Due Regards Statement (DRS) is not required.

CONSULTATION

28. There has been consultation with the various directorates and applicable officers. All implication authors from the various departments have been consulted with as per the above.

BACKGROUND PAPERS

29. None.

REPORT AUTHOR & CONTRIBUTORS

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APPENDIX 1

BREACHES

This appendix details the:

- **'new'** CPR breaches that have been identified between the 1st October 2017 and the 28th February 2018,
- **unresolved** breaches, reported to the Audit Committee and;
- **resolved** breaches contained from the April and October 2017 Audit Committee Reports

With a brief explanation of the reasons for the breach and their current status:

Directorate & Responsible Officer	Status New Unresolved Resolved	Date Reported to Audit Committee	Contract Description	Annual Value	Contract End Date	Reason for breach	Proposed action to be / has been taken in relation to the breach	Timescale for resolution
Adults, Health and Wellbeing	New	Apr 18	Agency Head of Support for Adult Social Care	£42,055	30 Mar 18	Difficulties in recruiting to this Head of Service role due to expertise required over a large area of operational practice. It was not possible to recruit using the Reed Framework in the timescales needed to provide operational cover. Recruitment was then sought outside the Framework and a suitable candidate was identified. It was hoped that the provider was able to join the Reed however this was not possible Further delays were likely due to the Christmas period which would affect operational practice; therefore the suitable candidate was taken on.	Recruiting a substantive Head of Service and discussions are taking place with HR to use a local recruitment agency to support with this.	30 Mar 18
Adults Health and Wellbeing	Resolved	Oct 17	Sleep in rooms with 8 separate providers	£279,636	No contracts in place	The Council pays for the provision of staff sleep in rooms in supported living accommodation. No contract coverage arranged when the supported living contracts were let.	Agreements to be put in place with the current providers.	31 Dec 17
Adults Health and Wellbeing	Resolved	Oct 17	Delayed Discharges	£301,000	No contract in place	No contractual coverage. Provision of funding to the Clinical Commissioning Group (CCG) to joint fund RDaSH for Community Intermediate Care Team (CICT)	To establish an Agreement and Service Specification via a Section 76 with the CCG	31 Oct 17

Directorate & Responsible Officer	Status New Unresolved Resolved	Date Reported to Audit Committee	Contract Description	Annual Value	Contract End Date	Reason for breach	Proposed action to be / has been taken in relation to the breach	Timescale for resolution
Adults Health and Wellbeing	Resolved	Oct 17	Access and Systems	£354,000	No contract in place	No contractual coverage. Provision of funding to the Clinical Commissioning Group (CCG) to joint fund RDaSH for Community Intermediate Care Team (CICT)	To establish an Agreement and Service Specification via a Section 76 with the CCG	31 Oct 17
Adults Health and Wellbeing	Unresolved	Oct 17	Mental Health Assessments with 38 separate providers.	£270,220	No contract in place	Individual commissioning of small work packages to providers. Holistic spend analysis established aggregated spend and need for corporate contract.	Work has commenced with the Safeguarding Team.	31 Jul 18
Adults Health and Wellbeing	Resolved	Oct 17	Provision of book stock for library services customers	£33,333	31/03/20	Waiver progressed.	Direct contract awards - sole suppliers who have deals with authors and publishers.	31 Oct 18
Adults Health and Wellbeing	Unresolved	Oct 17	Forest Fuels	£23,973	No contract in place	No contract coverage, a historical arrangement that has been identified through spend analysis.	To seek a minimum 3 verbal quotations	30 Jun 18
Regeneration & Environment	Unresolved	Oct 17	Digital Energy software for energy management functions.	£18,000	No contract in place	Provision of software for energy management functions including consumption data on gas, electricity, water and other fuels. Reporting features enables the Council and schools to meet statutory functions.	Open Tender for a 7 year contract, with a value of c. £126,000. Still not resolved, this has been raised with the manager concerned. This will be followed up by the Senior Category Manager in SPT.	30 Jun 18
Adults Health and Wellbeing	Unresolved		Solar Centre	£746,000	No contract in place	A consultant has been employed, working to the current Assistant Director Adult Social Care and a Milestone Plan is now in place, ending in the procurement of new services (appropriate) by June 18.	As per the Solar Centre project plan	30 Jun 18
Adults Health and Wellbeing	Resolved	Apr 17	Doncaster Mind & Changing Lives	£176,000	No contract in place	A Mental Health Service Review has been completed and work is underway with the Clinical Commissioning Group (CCG) regarding future options in line with the Mental Health Plan. This work is planned to be delivered in year 1 of the Commissioning and Procurement Plan (17/18). BCF funding has been applied for to fund this contract.	The contract has been tendered and awarded and the new contract is set to start on the 1 st April 2018.	31 Mar 18

Directorate & Responsible Officer	Status New Unresolved Resolved	Date Reported to Audit Committee	Contract Description	Annual Value	Contract End Date	Reason for breach	Proposed action to be / has been taken in relation to the breach	Timescale for resolution
Adults Health and Wellbeing	Resolved	Apr 17	Money Management	£43,000	Contract expired	Managed Accounts – A new money management service is to be retendered. However, the new contract will not be in place for the 1 st November 2017 as previously reported to Audit Committee. This has been delayed to allow for Children's Services to be incorporated into the scope of the contract as agreed by DLT. It is planned that a new contract will be in place by July 2018. Waivers have been signed to allow for the procurement activity to take place.	Waivers have been put in place to facilitate the procurement plan.	Jul 18
Adults Health and Wellbeing	Resolved	Apr 17	Shop 4 Support	£25,000	No contract	An Agreement was to be put in place to support the current arrangements by May 2017. This software supports the 'Your Life Doncaster' tool that has been revised and rolled out.	Contract Award Notice completed due to the contract being in place	Dec 17
Adults Health and Wellbeing	Unresolved	Apr 17	Sony Music Downloads	£6,000	No contract	Library Ideas which can only be purchased from Sony Music therefore a Purchase Order needs to be raised with Sony Music. This waiver has been established and is currently going through the CPR waiver process.	Waiver awaiting a signature for 12 months. A soft market test will be undertaken to ensure there is only one supplier available.	Mar 18
Adults, Health and Wellbeing	Unresolved	Apr 17	YMCA Goodall House	£170,000	Contract expired	This work is planned for Year 2 of the Commissioning & Procurement Plan	Re-commission	Mar 19
Adults, Health and Wellbeing	Unresolved	Apr 17	SPLS IT System (Trojan)		Contract expired	18 months project to look at alternatives and potentially de-commission.	System reviewed and decommissioned.	Sept 18
Adults, Health and Wellbeing	Resolved	Apr 17	Target Housing – Offender Accommodation and Support Service	£336,873	Contract expired	Part of the Commissioning Plan and linked to Complex Lives.	Waiver agreed for an interim 2 years period to formalise agreements.	
Adults, Health and Wellbeing	Unresolved	Apr 17	Sheffield YWCA – Yorkshire Green Gables	£81,000	Contract expired	This work is planned for Year 2 of the Commissioning and Procurement Plan	Re-commission	Mar 19

APPENDIX 2

WAIVERS

This appendix details the CPR waivers that have been agreed since the last report covering the period 1st October 2017 to the 28th February 2018, 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	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
Adults Health and Wellbeing	Supplementary Home Support Service	£18,700	31/03/18	Extension to existing Supplementary Home Support Service (SHSS) Contract which provides short term home support for individuals that may have care packages that are difficult to broker for an immediate start or that may be returning to their home after hospital.	Financial risk to the Council of £130 per day when there are unnecessary Delayed Transfer of Care (DToC) If the CPR Waiver was not agreed, there was pressure to carry out a low value / short term quote to have a provider in place. This would increase risk to service users if there is no service in place or a change of provider is required.	ODR approved to commission a new Home Support Immediate Response Service. Waiver extends SHSS until 31 Mar 18
Adults Health and Wellbeing	Doncaster Domestic Abuse Victims Service	£411,923	31/03/19	Current contract for a Domestic Abuse Victims Service, which provides support for victims of domestic abuse. The provider is Riverside Care and Support. The service is currently funded from the Supporting People (£171,000) and Communities (£144,000) budget areas.	New partnership-wide strategy for domestic abuse with the strategic ambition for domestic abuse, which is based on a whole family and system approach in line with best practice. Significant service redesign is required. The current commissioned service will be in scope of this wider work. The Domestic Abuse Chief Officer Group (Police, Children's Trust, RDaSH, Doncaster Council) are supportive of this.	Additional extension to the current contract from 2 Dec 17 to 31 Mar 19 to allow for the service/system redesign. A new contract is planned for 1 Apr 19
Learning and Opportunities: Children and Young People (LOCYP)	Capita One	£15,667	31/10/18	Current Capita contract has the One Technical Assisted Support Service (OTASS) which is responsible for the management of any upgrades/ fixes on the LOCYP systems team with support from ICT. Impacts on ability to plan and respond quickly to implementation of statutory changes to the system. ICT are not always able to respond within short timelines.	Next upgrade is scheduled for release in Mid-November and needs to be implemented by no later than the first week in December. This is a statutory requirement and needs to be implemented. If we do not utilise the funding from Department of Education DFE for this work we will lose it. This could result in challenge from the DFE around our approach to meeting our statutory obligation for 30 hours as well as potentially impacting on our ability to secure future funding.	Enabling us to fulfil our statutory obligations more effectively utilising funding from the DFE. In addition to minimising the impact on resource requirements across ICT and LOCYP Systems Team staff.
Corporate Resources	Provision of a Community Poll	£140,000	01/02/18	Agreement to enter into a contract with Electoral Reform Services (ERS) to provide a Community Poll. The Council wishes to gauge the opinion of the electorate as to their preferences on the competing devolution proposals.	ERS are considered the market leaders in carrying out such polls and, indeed, carried out an identical process on behalf of Durham County Council in 2016. ERS will provide a beginning-to-end service. The timings for this project have meant that a quotation process has not been possible.	One-off CPR Waiver

Directorate	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
Adults Health and Wellbeing	Young People's Services	£160,868	09/12/18	The Council currently commissions a Young People's Service, which provides supported lodgings and floating support for young people aged 16-25 years old. Supported lodgings provides a 'stepping stone' to independent living for young people in need of support, where they live in a home environment with a host family.	This contract will feature within the Doncaster Growing Together (DGT) 'Housing' Theme of which housing for care leavers and young people is one of the priority areas. Recognising that the detail of this work is not yet fully scoped, a re-commissioning exercise of this contract needs to take place during an extended waiver term to ensure a stable contract is in place whilst the strategic vision of housing for care leavers and young people is determined.	It is recommended that a waiver is agreed to allow an additional extension to the current contract from 10 Dec 17 to 9 Dec 18 whilst a there is a redesign and tender process taking place.
Corporate Resources	Support and Maintenance Contract for the TeamMate Audit Management software and analytics package	£57,000	01/01/24	The Teammate Audit Management system (TAM) was originally procured in 2002/03 through a competitive procurement exercise (the contract was signed in January 2003).	At that time, the software and appropriate licenses were purchased. As part of that procurement, a maintenance contract was included to maintain the software and repair it in the event of failure and to future proof the system by providing access to future upgrades of the software for the life of the service maintenance contract. In essence this is an evergreen contract with no termination date.	Waiver will run for further 6 years
Regeneration and Environment	Emergency Temporary Mortuary Provision	£17,500	In Perpetuity	A Temporary Mortuary is a facility that assists the Coroner in fulfilling their legal obligation to investigate the cause and circumstances of the death, and establish the identities of the deceased following an incident which has resulted in a large number of body parts and / or human remains, by constructing a suitable temporary working environment for the purposes of carrying out forensic investigations.	This waiver therefore is seeking the approval to secure more resilient arrangements for the provision of a Temporary Mortuary on behalf of the Coroner for Doncaster Council. This will be provided by way of a direct award to Kenyon International Emergency Services through an annual retainer fee of £2000 in perpetuity to ensure resilience of and in support of the Doncaster Temporary Mortuary & disaster recovery plan.	This Waiver is in perpetuity through an annual retainer fee of £2000 in perpetuity to ensure resilience of and in support of the Doncaster Temporary Mortuary & disaster recovery plan.
Corporate Resources	Procure Confluence/ JIRA software as a service	£24,000	19/11/18	Directly award to the incumbent supplier Atlassian for the provision of Confluence/JIRA. In the delivery of AGILE developments across Digital & ICT, the Service uses this bespoke online subscription product to provide required digitisation of the AGILE development processes and development collaboration functionality. The software provides an	Digital & ICT have reviewed other available products across the market and have identified that this subscription is the most effective for Digital and ICT to continue delivering the required deliverables of the Digital Council Programme and those deliverables approved by the ICT Governance Board. Subscribe to online service direct from the supplier to allow for continued provision with Digital & ICT.	This is a one-off CPR Waiver.

Directorate	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				online collaboration tool for Project Managers, Business Analysts and Developers to manage the whole AGILE development process from the development of business process maps, to the development of functional and non-functional specifications for the developments of products.	This is the recommended option as it will provide the organisation with continued provision of the subscription service and best value for money by awarding directly to the supplier. Based on Option 2 being the preferred option, providing continuity of service and best value for money, this CPR Waiver has been produced.	
Adults Health and Wellbeing	Home from Hospital Service	£93,520	31/03/19	Previously procured through a compliant procurement route. The service provides short term practical help for vulnerable people returning to their home after hospital. The service is designed to help people re-adjust to living at home again, gain in confidence, provide short term practical help after hospital discharge and prevent them being re-admitted to hospital.	This service is inextricably linked to the Intermediate Care Review currently underway. Any new service specification will need to take account of this contract and the client base it serves. Funding has only been agreed for 12 months and whilst we have time to go out to tender for a one year contract it is unlikely this would be attractive to other providers given the mobilisation required and TUPE implications The current service is performing very well Inefficient use of the Council's resources to tender for a 1 year contract	Included in the Intermediate Care Review. Service redesign.
Regeneration and Environment	Framework for the Provision of Transport Related services	£32,500	31/07/18	Contract with Pennine View School for 'home to school transport'. It was intended that the contract would be competitively tendered when it expires in December. Jul 17 the Department of Transport advised that the Driver and Vehicle Standards Agency (DVSA) have issued a decision letter to a Community Transport Association Section 19 permit holder following allegation of non-compliance with legal requirements. The outcome of the decision letter was: a) The Operator was required to hold an O Licence as it was operating under competitively tendered contracts and this cannot be done under a Section 19 permit as it is not permitted under EU Regulations.	There is a risk that if this contract is put out to tender immediately under the DPS and the Trust does not, or is not permitted to bid for the contract that the continuity of this important service will be affected. There would be TUPE implications for any third party that bids to take this contract on and given the limited number of suitable providers in the local market there is a risk that the contract will not be awarded.	In view of this uncertainty Legal services have recommended that the existing contract with Pennine View School is extended with a view to tendering the contract at a later date in order to give the Council and the School the opportunity to consider any revised guidance arising out of the consultation and to allow a transition period to enable the school to comply with any additional legal requirements.

Directorate	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				<p>b) As a consequence of the requirement to hold an O Licence drivers were not permitted to drive under a D1 (101) licence but must hold the full D1 drivers licence (for which an additional driving test is required).</p> <p>c) As drivers were salaried employees they were required to hold CPCs (requirement of the European law).</p>		
Regeneration and Environment	Works to Doncaster Wool Market	£16,701.45	31/12/17	Refurbishment of Doncaster Wool Market, via Willmott Dixon Construction (WDC) for these works. Surveys of the Wool Market building have identified building security and damp issues. To undertake remedial works to address these issues, access is required through the beer garden/service yard of the adjacent Crystals Pub. It was originally proposed to instruct WDC to progress these works as part of their wider scheme of works. However it is now proposed to allow the owners of the Crystals Pub, Empire Property Concepts (EPC), to progress these works.	The price offered by EPC to do these works (£16,876.45) compares favourably to that estimated by WDC (£17,900). NB: WDCs have not yet been tendered and includes additional insurance required when working on a 3rd party property.	A Comprehensive refurbishment of Doncaster Wool Markets to be completed by December 2018 with WDC. One off waiver.
Regeneration and Environment	Housing need assessment for local plan	£43,195.00	21/01/18	Work to update its 'Objectively Assessed Housing Needs' (OAHN) in tandem with an assessment of the number of jobs we should plan for in Doncaster. This work is a fundamental part of the Local Plan evidence base and will be subject to scrutiny at an Examination in Public. The OAHN effectively sets out how much housing should be identified in the Local Plan for the next 15 years and is a contentious issue in the Local Plan process. It is critical that this work is both robust, independent and timely requiring the need for external consultancy as it will be subject to challenge and scrutiny.	Seeking open procurement for this work would weaken the Council's planning case at the Edenthorpe appeal inquiry as the Council would effectively be disclosing that it is looking at the possible need to prepare alternative figures. CPR waiver is therefore needed to avoid further delay from the alternative need to wait until the Edenthorpe appeal inquiry has concluded (at the earliest third week of January 2018) before issuing an open procurement exercise.	One-off waiver for consultancy.

Directorate	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
Adults, Health and Wellbeing	Social Prescribing Service	£240,000	31/03/18	The Social Prescribing Service was jointly commissioned by the Council and the Doncaster Clinical Commissioning Group (CCG) was procured via an open tender for one year with provision for a further 12 months extension. The contract commenced on 1 Aug 15 to 31 Jul 17. A CPR waiver was agreed for a further period from 1 Aug 17 to 31 Mar 18 to ensure continuity of service until the future requirement/scope for the service was agreed including future funding. The service is currently funded by the Better Care Fund (BCF) and a further 12 months funding from 1 Apr 18 has been agreed. This offers the option to tender for a 12 months contract.	Whilst there is time to go out to tender for a 12 months period this realistically is very unlikely to be attractive to potential bidders given set up costs and potential TUPE considerations. Additionally, mobilisation disruption and the development of relationships with GP's and the voluntary, community and faith sector will only just be established as the contract comes to an end. There is further work being undertaken amongst the local place plan which is not ready for a revised service specification at this time.	To extend current waiver for 8 months (1 Aug 17 to 31 Mar 18 for a further 6 months with the option to extend for a further 6 months to 31 Mar 19.
Corporate Resources	INTEC's Data Intelligence Solution- Single View of Recipient (iDIS – SVOR) searches for Council Tax Single Person Review including licence for iDIS	£9,210	01/01/18	The Council entered into a 12 month contract with Intec to provide credit reference searches to carry out a rolling Single Person Discount Review for Council Tax in Jan 17. Under the terms of the contract a 6 month notice is required which we now intend to serve. However, this takes us beyond the 12 month term, so the waiver is required.	The waiver will allow us to negotiate a price for the short extension to continue the service which has proved successful and also allow us to go out to market for a longer term contract.	To enable the Council to effectively serve notice and maintain the service beyond the original contract end date the waiver of CPRs is required to direct award to Intec for an additional period of 6 months, whilst the remainder of the notice period is served.
Adults, Health and Wellbeing	Managed Account Service	£10,000	01/03/18	The initial agreement with the Rowan was set up through an Invitation to Quote as a short term interim arrangement pending a wider procurement exercise to better fulfil the council's personalisation requirements. Rowan successfully bid to provide managed accounts for the Council on a short term arrangement of 6-12 months with the option to extend for a further 6-12 months.	The purpose of the waiver is to 1) ensure that there is no gap between the expiry of the contract with Rowan and the go live date for the new model 2) Ensure continuity of service for vulnerable individuals 3) support current targets to increase the number of Direct Payments (DP's) (through having a short term mechanism in place to support those who don't have capacity to manage their Personal Budget).	The waiver will assist by providing at least one organisation who supplies a money management service. This will not preclude other providers in the market. Current re-commissioning taking place.

Directorate	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
Adults, Health and Wellbeing	Homelessness and Accommodation Support	£6,000	03/01/18	Riverside Care and Support secured the Homelessness Accommodation and Support Contract in 2015 following an open tender exercise. The three year contract (plus 2 x 12 month extensions) which includes hostel based provision (Wharf House and Open House Plus), floating tenancy support as well as a rough sleeper outreach service.	Increase in the number of individuals being identified on outreach and, as a result, an increase in demand for hostel bed spaces. To ensure adequate provision for rough sleepers over the Christmas period, it was necessary to implement an additional 8 bed spaces (4 at Open House Plus, 4 at Wharf House) between the period 22 Dec 17 and 3 Jan 18 for individuals sleeping rough.	One-off Funding
Learning and Opportunities: CYPS	EEF Strategic Delivery Partner	£ 15,000	31/09/18	The support from EEF includes a robust evaluation of the impact of the app on children and their parents/guardians conducted by a research team at Durham University and the University of York. Last year, EasyPeasy undertook similar research alongside the University of Oxford and the Sutton Trust and found that EasyPeasy has a marked positive effect on children's concentration and self-control, and supports positive changes in parents' behaviours.	To support further research into the profound positive effects of early year's intervention, this new study will look at the impact that EasyPeasy can have on language and communication skills. All research data and outcomes will be shared with both the schools and the local authority.	One off funding for research.
Corporate Resources	Abacus Site Licence Renewal 2018/19	£7,014	31/03/18	The Abacus system continues to be used for financial assessments for non-residential social care services. The system is now out of the original contract period. Work has been underway for the last three years to totally migrate data from the Abacus system to CareFirst which was procured as a replacement social care system.	Although financial assessments for residential care services have successfully been migrated to the new system, work is still on-going to migrate non-residential assessments. It was anticipated that this work would be completed during 17/18 however there have been a number of setbacks meaning that the work is now planned during the early part of 18/19. Consultation with the Business Intelligence (IBI) Programme Board has taken place and the recommendation is that we should renew the Abacus software licence for a further 12 months to enable the migration of more recent data and internal work required to archive older data from the Abacus system and retrieve.	Migration of more recent data and internal work required to archive older data from the Abacus system to retrieve this as necessary.
Adults, Health and Wellbeing	Tunstall Gold Maintenance Contract Extension	£5,220	31/03/18	The Tunstall PNC 6 system is an assistive technology system utilised by the Council 24/7, 365 days per year to monitor and respond to alerts for assistance from vulnerable residents via	The Council is currently going through a huge transformation and to allow the necessary analysis and decisions to be reached in relation to the future direction of Pendant Alarm Monitoring the current Tunstall Gold maintenance and call-out	Extend the current contract for a further 3 months to allow appropriate preparation and review of the service

Directorate	Contract Description	Waiver Value	Waiver End Date	Background	Reason for waiver	Proposed action
				pendant alarms In excess of 6000 residents rely upon this service. The Tunstall PNC 6 system is also used for the protection of Council building assets via building alarm alerts and subsequent key holding and response.	contract which was awarded under The Northern Housing Consortium (NHC) Framework was extended via available contract extension options until the 31 Mar 18 when it will expire with no further extension options.	prior to a tender exercise for a new contract which will allow the Council to determine the future of Assistive Technology.
Corporate Resources	Local Assistance Scheme Awards Fulfilment Service	£30,000	31/03/21	The Council is internalising the administration of the Local Assistance Scheme (LAS) from 1 April 2018. This has been endorsed by the Mayor and Chief Executive and accords with the wishes of Members and Senior Leadership. LAS provide assistance for vulnerable individuals and families who face unforeseen crisis or emergency situations. Assistance is provided in the form of white goods, furniture, bedding, etc. and cash awards (via Paypoint) for utilities, food and emergency travel costs.	Alternative options for LAS awards fulfilment has been considered to use the existing contract the Council has with Pre-paid Financial Services (PFS). Under both of these alternative options for fulfilling goods and cash awards, the cost of goods and services would be considerably higher as we would not benefit from the supplier group discounts achieved by Family Fund.	The CPR waiver arrangements will enable the Council to maximise use of the LAS budget available by taking advantage of Family Fund supplier discounts which in turn means we can provide this vital support to more families in crisis and emergency situations.
Regeneration and Environment	Consultancy Support from Hull City of Culture Team (Hull2017)	£25,000	31/05/18	Team Doncaster is prioritising the town centre as a key area of development. The service wishes to procure the Hull City of Culture Consultancy team to share advice and delivery techniques with external partners and officers/members within the Council.	2020 has been identified as the year that Doncaster can celebrate a 'year of culture' with many key anniversaries and major developments coming together.	This award would directly contribute to Doncaster achieving this delivery for 2020.

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Doncaster Council

Report

Date: 5th April 2018

To the Chair and Members of the
AUDIT COMMITTEE

Q3 2017/18 STRATEGIC RISK UPDATE

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

EXECUTIVE SUMMARY

1. The purpose of this report is to provide an overview of the Strategic Risks profiles in Quarter 3 2017/18.

2. There are currently 22 Strategic Risks and all have been updated as part of the Quarter 3 reporting process. The heat map opposite shows a summary of the scores.

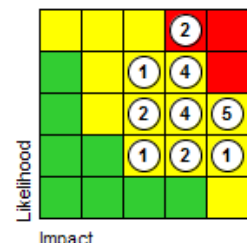
3. 17 risks have retained the same profile;

2 risk profiles have reduced, due to the implementation of mitigating actions -

- As a result of insufficient capacity and skills in AH&WB commissioning, contract management and monitoring is not effective, leading to non-compliance with legislation;
- An underdeveloped local market and ineffective market management affects the ability to change services, leading to market instability and difficulty in meeting the needs of vulnerable people.

3 risk profile have increased -

- Failure to implement the Partnership priorities within the Doncaster Growing Together Portfolio;
- 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;



- 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
4. During the quarterly challenge process, no new strategic risks have been proposed. Two Strategic Risks will be re-worded for Q4 to more reflect the impact on the Borough – these relate to ‘Leaving the EU’ and ‘Sheffield City Region’.
 5. The complete update for the Q3 Strategic Risk Profile is at Appendix A

RECOMMENDATIONS

6. The Audit Committee members are asked to:
 - a) Note and comment on the report
 - b) Note the updates in Appendix A

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

9. Not Applicable

REASONS FOR RECOMMENDED OPTION

10. Not Applicable

IMPACT ON THE COUNCIL’S KEY PRIORITIES

Outcomes	Implications
Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future; <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
Doncaster Living: Our vision is for Doncaster’s people	

<p>to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>The embedding of robust risk management arrangements within the Council will contribute to the effective delivery of all the Council's key priorities</p>
<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	

RISKS AND ASSUMPTIONS

11. 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 [Officer Initial: SF Date: 23/03/18]

12. 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 [Officer Initial: AT Date: 14/03/2018]

13. 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 [Officer Initial: KG Date: 15/03/2018]

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

TECHNOLOGY IMPLICATIONS [Officer Initial: PW Date: 15/03/2018]

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

HEALTH IMPLICATIONS [Officer Initial: RS Date: 14/03/2018]

16. There are no direct health im Each strategic risk could impact on health and wellbeing or increase health inequalities. Decision makers will want to see that mitigation measures do not increase health inequalities.

EQUALITY IMPLICATIONS [Officer Initial: SW Date: 14/03/2018]

17. 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

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

BACKGROUND PAPERS

19. Reports generated via Pentana for Directorate Q3 challenge meetings.

REPORT AUTHOR & CONTRIBUTORS

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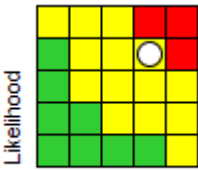
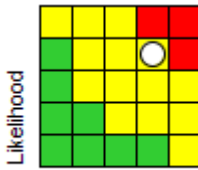
Lee Tillman
Assistance Director Corporate Resources

Q3 Strategic Risk Register

APPENDIX A

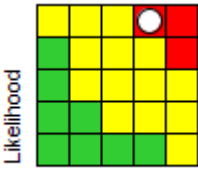
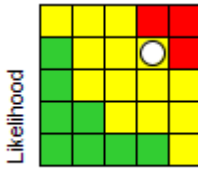
Without effective influence and engagement with the Sheffield City Region, there is a threat that Doncaster does not achieve economic potential benefit from the devolution deal

Peter Dale

Current Risk	Current Position:	Target Risk
20 	<p>Current Position: At the beginning of December 2017 both Doncaster and Barnsley residents were asked their views on the geography of a devolution proposition (Sheffield City Region or a wider Yorkshire devolution model). The outcome was unanimous 85% (38,551) Doncaster residents voted in favour of exploring a wider Yorkshire proposition a position that was almost identical within Barnsley. The outcome presents a significant backing against Government stance on an existing Sheffield City Region proposition; a series of lobbying discussions are therefore taking place with a debate in parliamentary debate taking place on 9th January 2018.</p> <p>Mitigating Actions: Officers, the Executive and Members from Doncaster Council are at the forefront of deliberations both at a national and regional level on issues relating to devolution, assurances are provided through our strategic and operational role with the SY Combined Authority, in addition to representations on the numerous executive boards supporting the City Region.</p>	16 

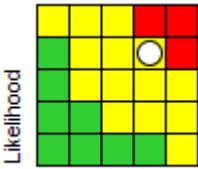
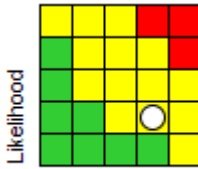
As a result of the decision for the UK to leave the European Union there is increased uncertainty across a number of policy and funding areas that could lead to disruptions in funding and/or projects locally in Doncaster.

Simon Wiles

Current Risk	Current Position:	Target Risk
20 	<p>Current Position: In December 2017 the UK agreed in principal a phase 1 position with the EU. This agreement include the rights of EU citizens and their families to remain in the UK; no hard boarder between Northern Ireland and EIRE; agreement on the methodology of the settlement the UK will pay to the EU in order to leave. It is likely that talks on trade and the specific details to a transitional period will begin early in 2018. The next phase of talks may have a bigger impact on public services and updates in Q4 and Q1 18-19 will reveal greater detail that will need to be considered.</p> <p>Mitigating Actions: Review key pieces of legislation and work with regional and national government to ensure impacts of exiting the European Union are minimised as much as possible.</p>	16 

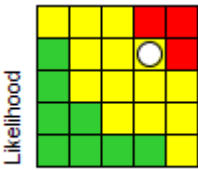
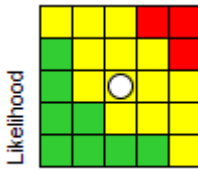
Failure to improve Data Quality will prevent us from ensuring that data relating to key Council and Borough priorities is robust and valid.

Simon Wiles

Current Risk	Current Situation:	Target Risk
16 	<p>Current Situation: Following the formal agreement of the Data Quality Strategy 2016/17 – 2020/21, a working group meets regularly to drive forward the required activity. Annual self-assessments across the council for statutory returns have been completed during Quarter 3 and policy management and sign off and e-learning training completion continues to be monitored quarterly. Other areas of focus for this quarter has been to continue the activity needed to ensure we can respond effectively to the GDPR by May 2018. Key projects and programmes such as the Doncaster Integrated People Solution and the Integrated Digital Care Record are focusing on specific problem areas in Adult Social Care to ensure deliverables are achieved.</p> <p>Mitigating Actions: In order to drive forward and embed the improvements in data quality, a proposal has been developed for consideration by the Chief Executive and Directors to create a temporary Data Quality Team to focus on the systems authoritative to the Council and using a systems approach to improve data quality. The proposal describes a 'task and finish' project approach which includes culture and organisation wide development and clearly defined expected outcomes. The proposal was approved at Directors meeting on 18th December and job descriptions have been drafted for evaluation before recruitment.</p>	8 

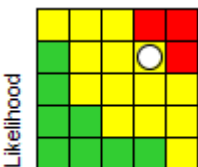
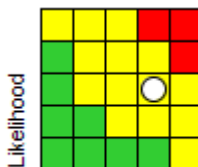
Failure to achieve the budget targets for 17/18.

Simon Wiles

Current Risk	Current Position:	Target Risk
16 	<p>Current Position: At quarter 2 there was a £3.0m year-end overspend projected for 2017/18; this shows there is a significant risk achieving all the budget targets for 2017/18. Quarter 3 projections are currently being prepared.</p> <p>Mitigating Actions: Discussions will take place with managers to identify if any actions could be implemented to reduce the overspend by year-end and bring the budget back in line for 2018/19. The budgets will continue to be monitored and reported to managers, Directors and Cabinet.</p>	9 

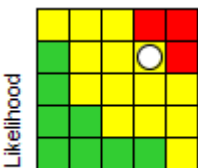
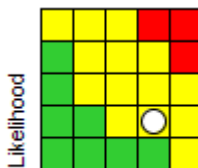
Children and Young People do not achieve in line with national expectation

Damian Allen

Current Risk		Target Risk
<p>16</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current Position: The School Improvement strategy has been revised with more specific detail around the three tier model of support. Additionally, the Reading Strategy is now in its second year with a focus on : Raising awareness of age related expectations in Years 3 and 4 and curriculum requirements ensuring a greater proportion of Y4 pupils meet the expected standard in reading Improving the attainment and progress of Year 6 pupils to improve the conversion rates of children assessed at the end of KS1 at 2bDeveloping the teaching of inference skills in upper KS2Continuing to develop assessment materials to support planning and assessment of reading. Improving reading outcomes for disadvantaged pupils Developing parental and community engagement in reading</p> <p>During the first year of the Reading Strategy, schools that participated showed an average increase in KS2 test scores of 11% against 8% across the LA . improved performance by an average of 12% which is much high</p> <p>The Raising Aspiration and Achievement Strategy has been revised and delivery plans are being developed to support the three main school improvement priorities of :</p> <ul style="list-style-type: none"> . Continuing to improve Reading . Raising Achievement of disadvantaged pupils . Ensuring that all schools offer a broad and balanced curriculum. . Doncaster remains in the bottom quartile of all LA's nationally for KS2. Reading is the area where attainment is weakest. <p>Mitigating Actions:</p> <ul style="list-style-type: none"> • Challenge The Regional Schools Commissioner and Academy principals and CEOs on underperformance • A revised School Improvement Strategy is being delivered . The School of Concern process has been strengthened to include input from all agencies involved in a specific school or setting • Deliver aspects of the One Doncaster Education and Skills Commission report - including KS2 and KS4 initiatives and support the delivery plan of the Education and Skills programme. • Academy exploration and growth strategy for schools at risk of decline and those wishing to join Multi Academy Trusts Leadership succession and recruitment support initiatives in partnership with the Teaching School Alliance (Partners in Learning) . We have appointed a Lead Officer for Primary English to support identified schools to raise outcomes in reading in KS2 in 2018. . We have appointed a Lead Officer for Primary Maths to support identified schools to raise outcomes in maths in KS2 in 2018 . We are also running a series of training events for Headteachers and Yr6 Teachers to ensure that they maximise opportunities for success in 2018 KS2 assessments. 	<p>12</p>  <p>Likelihood</p> <p>Impact</p>

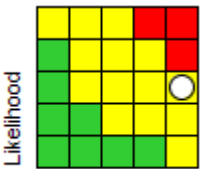
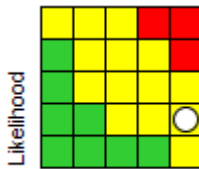
Workforce issues in AH&WB and support services, including vacancies, recruitment, staff development and sickness, reduce the ability to transform at the pace required in current plans

Damian Allen

Current Risk		Target Risk
<p>16</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current Position: Significant recruitment campaign has meant that key posts have now been filled and some staff have already joined the teams</p> <p>Mitigating Actions:</p> <ul style="list-style-type: none"> . Most of key management posts have been recruited to and programme management office becoming established to support the transformation and improvement . Staff absence has improved with the Directorate position now at Amber for the first time (12.02 days per FTE against a corporate target of 10.50 days) . Continuing to focus on areas of high sickness within adult social care (currently 14.07 days) . Initially mapping of current workforce development activity is underway and an action plan will be put in place next quarter. . Early indications are that there have been many opportunities for career development and progression through the recent recruitment campaign with internal secondments, acting up arrangements and internal candidates successfully progressing into new roles 	<p>8</p>  <p>Likelihood</p> <p>Impact</p>

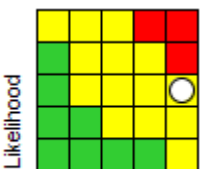
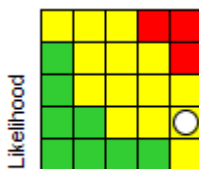
Failure by the Council and the Trust to agree and set a realistic annual budget target

Damian Allen

Current Risk		Target Risk
15 	<p>DCST have yet to provide their Q3 Finance report, the update below is based on Q2 at this stage:</p> <p>Current Position: At quarter 2 Doncaster Children's Services Trust (DCST) are projecting a year-end overspend of £1.63m; this is a reduction of £0.23m since quarter 1. This overspend takes into account the additional £1.1m provided at the beginning of the year to fund increased activity on the care ladder based on modelling submitted as part of the annual review. Detailed discussions are taking place at the Joint Finance & Performance meetings to understand these pressures and actions being taken to manage the expenditure. The main challenge is the high numbers of looked after children; at the end of August, 539 children were looked after (82.3 per 10,000 children); this is an increase from 512 (78.6 per 10,000 children) at 31 March 2017. The national rate is 60 per 10,000 and the average for statutory neighbours is 76 per 10,000 (although the variation in this cohort is marked, with some authorities having rates over 100 per 10,000). Although not all looked after children will require additional funded support, where the cost can vary significantly, it is a good indication of the overall volume increase and pressure in the system.</p> <p>The overspend is due to increased volume in the care ladder mainly on Out of Authority (OOA) placements, 18+ and Children in Care (CIC) transition accommodation. The OOA overspend is £1.5m, although the average cost is less than the unit contract value, the forecast average activity is 31 placements compared to 21 OOA placements in the contract (actual activity at Sept 17 is 31 placements). Actions being taken to reduce the pressures include joint work with St Leger and DMBC to identify/develop properties which can be utilised to provide supported accommodation for care leavers and setting up a satellite home which is less expensive than an out of authority placement. The Trust are also actively looking at ways to generate additional income to offset the pressures.</p> <p>The Council have agreed funding of £2.39m over the next three years to cover the Trust's supplementary resource requirements for "getting to good", continuation of the Growing Futures, Pause and Mockingbird approaches to work (Mockingbird has also successfully secured DfE funding). The Trust are due to provide a draft benefits realisation framework for the next Joint Finance and Performance, which will enable the group to monitor the impact of the additional funding on the outcomes.</p> <p>The Council overspend is £1.1m (70%/30% risk share); although the actual pressure is likely to be higher because the Trust do not have the reserves for the remaining 30%. The Council is currently agreeing additional one-off funding for the increased activity this financial year.</p> <p>The Trust have efficiency savings targets of £2m a year for 2018/19 and 2019/2020, and £0.5m in 2020/21. The Trust have shared with senior Council Officers their Medium Term Financial Strategy (MTFS) detailing cost pressures and efficiency proposals to achieve the £4.5m savings target over the next 3 years. This includes care ladder financial modelling for 2018/19 onwards which sets out when children will naturally transfer out of the system, forecast growth for future years and movement on the care ladder etc. The Trust and the Council are continuing to work together and discuss the MTFS and detailed care ladder model.</p> <p>Mitigating Actions: There are monthly finance meetings between the Council and DCST to keep the forecast under review and to challenge the assumptions in the care ladder, and there are regular meetings between Senior Management of both organisations.</p>	10 

Doncaster systems do not integrate effectively to enable the rapid discharge of hospital patients, resulting in increased delayed transfers of care and risks to better care funding.

Damian Allen

Current Risk	Current Position	Target Risk															
15 	<p>The latest official figures from NHS England confirm that Doncaster has achieved the BCF trajectory target for November month.</p> <p>This is a fantastic result, especially bearing in mind that figures had increased in quarter 2 to levels that prompted a ministerial letter and the creation of this strategic risk.</p> <p>Sustained and decisive actions to ensure that patients are discharged quickly and safely have been undertaken in close partnership with Health colleagues. Social care delays in particular have reduced significantly between August and November, improving from 7.2 days per day per 100k population in August to only 1.2 in November.</p> <p>November month DTOC</p> <table> <tr> <th></th><th>November Actual</th><th>BCF Trajectory Target</th></tr> <tr> <td>NHS</td><td>2.5</td><td>2.2</td></tr> <tr> <td>Adult Social Care</td><td>1.2</td><td>2.6</td></tr> <tr> <td>Both NHS & ASC</td><td>2.7</td><td>2.3</td></tr> <tr> <td>Total</td><td>6.4</td><td>7.1</td></tr> </table>		November Actual	BCF Trajectory Target	NHS	2.5	2.2	Adult Social Care	1.2	2.6	Both NHS & ASC	2.7	2.3	Total	6.4	7.1	10 
	November Actual	BCF Trajectory Target															
NHS	2.5	2.2															
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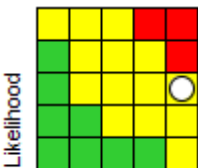
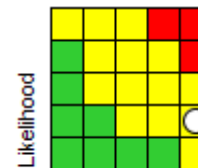
December figures will be available in mid-February and since December was a particularly challenging month they are expected to increase. However there is high confidence that DTOC is currently very well managed across the Doncaster Health and Care system.

Mitigating Actions

- **Daily management of individual hospital patients to make sure that they are discharged quickly and safely**
- **Flexible social care services to facilitate capacity in reablement/intermediate care facilities**
- **Close monitoring of DTOC figures for early warning of performance issues**
- **Effective challenge of delays raised by local Health Trusts**
- **Close working with the Doncaster CCG and local Health Trusts on discharges**
- **Implementation of the LGS High Impact Change model**

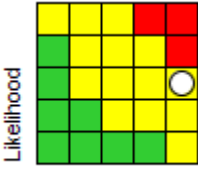
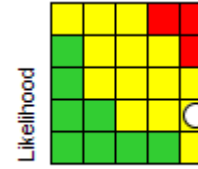
Savings from the Adults Health and Wellbeing Transformation Programme are not delivered as quickly as anticipated or are not achievable. Therefore alternative savings plans will be required in order to achieve the Medium Term Financial forecast.

Damian Allen

Current Risk	Current Position	Target Risk
<p>15</p>  <p>Likelihood</p> <p>Impact</p>	<p>The Adults Health and Wellbeing Transformation Programme has been running for approximately 1 year and will be refreshed for the start of 2018/19.</p> <p>There have been some notable successes during the past year, including; reductions in residential care placements, increases in direct payments, reduced delayed transfers of care and improvements to day opportunities.</p> <p>The programme was given renewed focus in September 2017 with the consolidation of projects down to a more manageable number of 12 priority improvement projects. They are:</p> <p>Residential Care Beds, Day Services, Working Age Residential Care Placements. Supported Living, Housing Related Support, Home Care. Intermediate Care, Delayed Transfers of Care, Continuing Healthcare, Equipment, Short Stay/Respite Care, Assistive Technology.</p> <p>Improvements have been allocated to each of the 12 projects and savings have been included in the Medium Term Financial Forecast and the Mayor's budget proposals.</p> <p>Services have experienced significant pressures during the year due to increasing demand and reduced resources. This has been partially mitigated through use of the Better Care Fund and Improved Better Care Fund, together with savings released through transformation.</p> <p>Resources remain a key issue, particularly staffing and planned savings have been more difficult to achieve than initially anticipated.</p> <p>Despite these challenges good progress is being made.</p> <p>Mitigating Actions</p> <ul style="list-style-type: none"> • Refresh of the Transformation Programme • Continued focus on recruitment to vacant posts • Health and Social Care integration, including joint commissioning • Assurance via the AHWb Improvement Board • Improved programme management • Focus on the AHWb directorate priorities; Place Plan; Your Life Doncaster; Improvement and Resources; Effective Performance Management; Commissioning, Contracting and Compliance; Workforce Planning, Development and Recruitment and; Communication, Engagement and Participation. 	<p>10</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		Target Risk
<p>15</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current Position: 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 and go beyond contractual requirements. Overall the safeguarding indicators specific to children are now performing better than last year. Ofsted in its 2015 report and 4 subsequent Monitoring visits did not -raise any concerns as to the safety of children in the borough, but did recommend improvements to social work practice which have been addressed through the Ofsted Improvement Plan and the Ofsted monitoring visits. This is regularly challenged with the Trust at the high level QPM and at individual Head of Service level.</p> <p>The first Ofsted Monitoring visit took place in August 2016 and concentrated on management of demand at the front door and quality of practice and found that significant progress is being made to improved services for children and that no children were deemed to be at risk of significant harm. The quality of provision was found to be better and that prompt and appropriate action is taken to address safeguarding concerns this is evident in the quality of assessments and ensuring children are seen alone and their views heard. However, there remain inconsistent quality of assessments and timeliness is deemed variable. In addition, more work is needed to ensure that thresholds for social care intervention are understood across the partnership. The second monitoring visit took place in October 2016 with a focus on quality of practice in particular the quality and effectiveness of plans for CIN of help and protection reviews and work to reduce risk to this cohort; the quality of pre – proceedings work. The conclusion of the visit was that the Trust had made 'significant progress' in improving the quality of work since the inspection in November 2015. Inspectors highlighted the continued pace of improvement and reaffirmed the conclusion of the previous visit that no children were found to be in situations of assessed, unmanaged or unacceptable risk. The third monitoring visit took place in March 2017 and identified significant progress in the quality of services provided for look after children since the full 2015 inspection.; that both the Council and the Trust have responded thoroughly to the actions required and that children and young people are placed at the heart of strategic planning and operational work, with welcome recognition of the ambition of both parties for this vulnerable cohort.</p> <p>Ofsted provided a 4th and final Ofsted visit in August 2017 which was not thematic but had a focus upon and visited the 'Front Door' including case sampling, as well as sampling a number of assessments and CIN plans. Feedback was essentially positive overall, with more consistent quality of practice evident – in particular cases at the front door, assessment, care planning and review with again praise for management oversight, performance management and QA.</p> <p>Pending the formal outcome of the re-inspection of social care and safe-guarding which took place in November 2017 and the indications based on Ofsted's reception to the Monitoring plan and the 4 monitoring visits promotes cause for optimism.</p> <p>Mitigating actions: Social work practice is challenged with the Trust at each meeting and at individual HoS level. The Joint strategic Inspection Group regularly reviews the Ofsted Improvement Plan as to actions required to improve quality of practice and attendant progress. The High level challenge meetings review specific audits and all challenge meetings review the basket of contractual PIs, which include bellwether PIs in respect of CIN plans; the care pathway – especially front door management; assessment completion and quality of audits. In addition, reference is made to volumetric measures and the wider context in order to provide reassurance as to caseload management; geographical / team pressures; deployment of staffing resources etc.</p> <p>The DSCB receives a regular report of the audited cases from the DCST and regularly reviews the quality of Multi-Agency thematic audits at its Quality and Performance Sub Group. DMBC is clear that the three most pressing impediments to this risk remain demand management, placement policy and quality of practice and is pleased that Ofsted in its second monitoring visit found that 'significant progress had been made in the quality of work since the 2015 inspection and that , overall the quality of provision was better and prompt and that appropriate actions was .taken to address safeguarding concerns with improvements evident in the quality of assessments and enquiry; that children are seen alone and their views are heard and Ofsted noted the pace of improvement.</p> <p>DMBC focus continues to be to ensure that quality of practice and assessment completion is more consistent and embedded and that a sustainable financial and operating model is in place.</p> <p>Regular Ofsted monitoring and peer challenge is considerably mitigating against this risk</p>	<p>10</p>  <p>Likelihood</p> <p>Impact</p>

Failure to successfully prevent a major cyber attack

Simon Wiles

Current Risk	Current Situation	Target Risk
15 Likelihood Impact	<p>Current Situation - There has been no significant cyber events in quarter 3, however this does not reduce the risk rating. Spam and phishing emails continuously bombard the Council's network. The Council's annual independent ICT security health check has just been completed and there are a number of actions to even further improve security which we are choosing to complete before we go through the government PSN accreditation process in February. An action plan has been developed with owners and timescales which will be monitored by the ICT Management Team and the Council's SIRO (Senior Information Risk Owner) and CIO (Chief Information Officer) - Assistant Director of Customers, Digital & ICT.</p> <p>Mitigating Actions - All staff sign up to the Acceptable Use Policy. Spam and phishing e-learning continues to be encouraged and monitored. Security hardware and software and updates continue to be implemented and maintained in the required manner. Attendance at regional meetings with security counterparts and constantly reviewing our position including an independent annual assessment</p>	6 Likelihood Impact

Failure to implement the Partnership priorities within the Doncaster Growing Together Portfolio

Simon Wiles

Current Risk	Current Position	Target Risk
12 Likelihood Impact	<p>Current Position: Over 100 representatives of the public, private & third sector attended the Team Doncaster Summit, to further understand, interact with and further take ownership of Doncaster Growing Together (DGT). However, DGT is still in its early stages, with the responses to complex public service transformation & integration still being shaped.</p> <p>Mitigating Action: The Team Doncaster Performance Management Framework & governance structures have been restructured around DGT. This includes the establishment of a DGT Portfolio Group which will ensure & drive delivery of the programmes, lead & encourage our organisations to work in different ways. The Portfolio Group reports to the Team Doncaster Executive. Team Doncaster communications & organisational development groups, with representatives from partner organisations have been established to support the delivery of DGT.</p>	6 Likelihood Impact

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

Damian Allan

Current Risk	Current Position	Target Risk
12 Likelihood Impact	<p>Current Position: The Children and Families Partnership Executive Group is the forum for the arrangements to discharge the S10 statutory responsibility which is the core group of leading partner members.</p> <p>Mitigating actions: The new governance arrangements are have become established and comprise the Executive Board which meets monthly and which provides overarching governance and delivery oversight across the partnership of the CYPP along with a new fit for purpose sub structure and a new strategic forum which meets quarterly to comment plan and shape the CYPP championing the voice of CYP.</p> <p>The new JSNA is a more dynamic document as is the consequential and substantial Children's plan for 2017-2020. The Participation and Engagement strategy professional version has been published and child friendly versions for both this and the CYPP have been launched.</p> <p>The publication and application of the three key documents JSNA; CYPP and P&E strategy will considerably mitigate this risk as well as the establishment and implementation of what is now a fit for purpose governance structure both underpinning the board and laterally in relationship to other strategic boards ,which will enhance the functionality of the Children and Families Partnership Strategic Forum as the keystone in the oversight and management of the children's strategic partnership across the entire 'estate'</p> <p>The Governance sub structure is aligned with and reflects the CYPP. A new Participation & engagement sub group has been in place since Dec 2016 and has been active developing the Participation & Engagement strategy and the co-production of the CYPP and the PES with children and young people and a child-friendly version of the PES was launched in October 2017 to mirror the child-friendly version of the CYPP. The P & E sub group has a priority to produce the action plan which supports and implements the actions proposed within the PES and this is expected to be finalised in February 2018.</p>	8 Likelihood Impact

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

Peter Dale

Current Risk		Target Risk
12 Likelihood Impact	<p>Current Position: During 2017 we have focused on our preparedness arrangements to respond to a threat based incident.</p> <p>12 Exercises and 16 training events have been delivered for over 500 staff and partners. The exercises have provided us with the opportunity to rehearse and enhance our preparedness arrangements and have included live play exercises, live evacuation and shelter exercises, corporate exercises and strategic response exercises. Multi-agency partners have supported and attended our training and exercise events.</p> <p>This approach has enabled us to twice smoothly support the response to the increase in UK threat levels.</p> <p>Mitigating Actions: We have provided support to a wide range of events and key venues in Doncaster to ensure that planned events continue despite the challenges of increased threat levels.</p> <p>We have worked with the Airport to support their Civil Aviation Authority inspection thorough assisting with the delivery of a live exercise held overnight at Doncaster Airport in Sept and Oct 2017.</p> <p>We aim to finish the year with an "Amber Alert" exercise to assess our resilience arrangements to respond to an impactful emergency.</p>	8 Likelihood Impact

As a result of insufficient capacity and skills in AH&WB commissioning, contract management and monitoring is not effective, leading to non-compliance with legislation

Damian Allen

Current Risk		Target Risk
12 Likelihood Impact	<p>Current position: The adult social care commissioning and procurement plan was presented by Ernst Young to the Adult Directorate Leadership team on the 20th December 2017. The plan sets out the individual activities required to deliver commissioning and transformational priorities and the anticipated resources necessary to deliver those priorities. There is currently a lack capacity in the commissioning team to deliver commissioning priorities. However, in terms of contract monitoring, the Council has been able to successfully recruit to vacancies in contract monitoring staff who monitor regulated services. The Care Quality Commission ratings for regulated services in the Borough continue to be above benchmarked comparators.</p> <p>Mitigating Actions: A temporary Head of Service has been appointed and is due to commence with the Council on 29th January. Interviews for the permanent Head of Service are scheduled early February. The recruitment to the post of Commissioning Manager has so far been unsuccessful. A further round of interviews are due to be concluded by the end of this month.</p>	6 Likelihood Impact

An underdeveloped local market and ineffective market management affects the ability to change services, leading to market instability and difficulty in meeting the needs of vulnerable people.

Damian Allen

Current Risk		Target Risk
12 Likelihood Impact	<p>Current position: Provider forums and market engagement events are being undertaken for key commissioning and procurement activity to ensure that effective and efficient services are commissioned which meet required outcomes. Commissioning staff have established positive relationships with providers. However, there remains insufficient capacity within the team to fully support market engagement activity</p> <p>Mitigating Actions: Provider forums and market engagement events are being undertaken for key commissioning and procurement activity. Recruitment to key posts within the commissioning team is underway.</p>	8 Likelihood Impact

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

Damian Allen

Current Risk		Target Risk
10 Likelihood Impact	<p>Current Position: Following on from a Peer review (November 2015) the Safeguarding Adults Hub was formed to manage all Adult Safeguarding and MCA DoLS for Doncaster. This brought together what were previously separate teams, workers from Area Teams and also a Health Worker. All based within the same building as the District Nurses Single point of Contact for Health, the Police Public Protection Unit, Child Sexual Exploitation Service and the Domestic Violence Team, facilitating easy access to a variety of key teams and personnel to facilitate information sharing to inform robust decision making.</p> <p>The Safeguarding Adults Hub was formed in April 2016 and has been in operation for 21 months. During this time the system and process has changed to ensure that we are Care Act compliant and applying the principles of Making Safeguarding Personal. All Safeguarding is now Managed within the Team enabling better management and monitoring of cases and ensuring a greater level of consistency. The Teams staffing resource has increased in order to facilitate these changes and has resulted in cases being responded to in a more timely manner at the front door.</p> <p>Since this time a further two stocktake reviews have taken place providing positive feedback to DMBC and the Safeguarding Adults Board and highlighting areas for development. To date 69</p>	10 Likelihood Impact

out of 75 actions were complete with 6 actions still in progress, these are discussed and reviewed at the Performance and Quality sub group of the Safeguarding Adults Board (DSAB). Regular performance reports are completed and reported on to the DSAB for governance purposes.

Mitigating Actions: The Board continues to provide a multi-agency training programme to support staff across the multi-agency partnership to deliver safeguarding in line with South Yorkshire Procedures and the Care Act 2014.

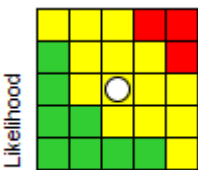
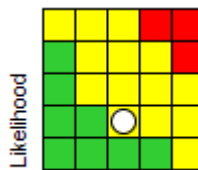
Mitigating Actions

The Board has revised its Performance and Assurance framework which is providing assurance to the Board that safeguarding practice is now outcome focused and in line with the 6 principles of safeguarding adults.

The Council has developed a draft Safeguarding Adults Policy and is currently working to develop internal safeguarding procedures all of which are aligned to South Yorkshire procedures and will be accompanied by mandatory training for key staff. The latest peer review took place 20th October 2017 by Dr Adi Cooper which was positively received by the DMBC and the Safeguarding Adults Board. An action plan is currently in development to respond to the recommendations identified and incorporate outstanding actions from previous reviews.

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
<p>9</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current Position: Contacts have increased from the summer seasonal reduction and remain high due to high demand in the community. Very few contacts are inappropriate and require Early Help services. The vast majority are for Information, Advice and Guidance. The risk is that high demand pressures clog up the machinery and professional officer resource. The LGA peer review recognised that this was a 'whole system' issue which extends across the partnership and is not wholly within the gift of the Trust. The Conversion rate of contact to referral remains low which indicates inappropriateness of referral, particularly from one agency. There is an issue of incorrect threshold application by partners and the interface with early help remains a wicked issue.</p> <p>Of relevance is the need to improve engagement across the EH partnership including engagement by identified LPs. Engagement in this cohort is highest in schools and PAFFSS but is poor among health visitors; school nursing and maternity services. School LPs exhibit high caseloads which also compromise the effectiveness of the EH offer. There is also evidence of a fundamental misunderstanding of the LP role amongst some partners and concerns as to the capacity to undertake what is perceived to be an 'add on' to the 'day job'. There is an identified problem of EH cases not being picked up by PLs which are then becoming additions to the waiting list.</p> <p>A high figure is not necessarily indicative of poor performance and if children need to be referred to social care then that is 'good' performance – 'appropriateness' is the key, high numbers of children on a CP plan in Doncaster, would tend to support this hypothesis, but the conversion rate to referral remains low at 21% in May 2017. The problem here is that there are a number of the referrals which are known to be 'inappropriate' and this refers in large part to the continued and thorny issue of referrals from one of the partners which continues to apply its protocol, this means that less than 10% of contacts are genuine cases for attention by social care.</p> <p>High demand pressures are unhealthy for the work of social work teams in 'clogging up' the machinery. Contacts below threshold which could have gone to the Early Help Hub are deemed 'inappropriate'. Inappropriate referrals which should have gone to Early help are subject to clarification.</p> <p>Mitigating Actions: Cross reference to the volume of early help contacts shows a welcome improvement in contacts to the Hub which supports the impact of improved awareness and application of thresholds among Agency partners. Early help volumes are increasing but this is not having an obvious, corresponding impact, however, despite this pattern overall contacts may not necessarily reduce, because causal links are more complex than a straightforward binary effect and the hypothesis is that increased use of the Early Help Hub is capturing a significant number of cases which may have gone nowhere, or which were not being reported within any one single system.</p> <p>The EH strategy group has commenced work to investigate and seek solutions to the EH threshold and LP engagement issues identified above and has enhanced it's monitoring via a new performance scorecard and peer challenge at the Early help performance and practice group.</p> <p>More fundamentally, the Children's strategic partnership will continue to work to achieve a better understanding of the tracking and progress mapping of young people within the system and embed a consistent and coherent shared understanding of the early help offer and more generally the children's offer across the whole spectrum of the children's system from 'universal to acute.'</p> <p>In addition, the deployment of the SYP front door Police resource at the Front Door to concentrate on Police referrals should improve understanding and address inherited backlogs.</p>	<p>6</p>  <p>Likelihood</p> <p>Impact</p>

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
<p>9</p> <p>Likelihood</p> <p>Impact</p>	<p>Current Position: The DCST is challenged by a series of regular performance monitoring fora, on a monthly and quarterly basis at all levels of senior management across both organisations and at public facing meetings with elected members in the scrutiny fora and at Corporate Parenting Board and have been further emboldened by the split screen accountability which the Children's scrutiny panel now provides and which challenges both the Council in its holding to account of the Trust and the Trust itself. A commentary provided by the DCST and PIs and quality assurance is challenged and provides full public transparency. 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 • Placement policy – care management and costs, in particular increased levels of SGO's, there is a need to review the SGO process. • Re – referrals (new and emerging) • High numbers of CIN & CPP & LAC – in themselves may not be a risk and may mitigate / address risk, but could burden the system and capacity, with consequential risks arising; <p>Mitigating Actions: The current arrangements and the number and scope of performance indicators are reviewed during each Annual Review process and in 2017 a new basket of PIs was completed and submitted on time to the Secretary of State which is more reflective of the child's journey and the development stage in the maturity of the Trust and was implemented from Q1 2017/2018. The Trust is challenged against each PI of concern at every meeting as to progress and actions planned or taken and the effectiveness thereof. A more rationalised challenge process is now in place with more emphasis on exception reporting. The split screen report to the Children's scrutiny panel provides robust and forensic analysis of performance against exception and good performing PIs and challenges the Director of People as to his oversight and accountability of the Trust performance as well as the specific performance behind the PI themselves.</p>	<p>6</p> <p>Likelihood</p> <p>Impact</p>

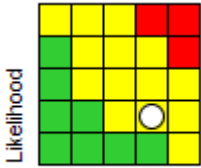
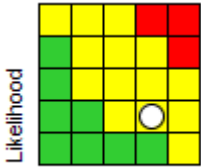
Failure to identify and manage Health and Safety risks

Peter Dale

Current Risk		Target Risk
<p>8</p> <p>Likelihood</p> <p>Impact</p>	<p>Current Position: Corporate Health and Safety continue to monitor the effectiveness of all council health and safety arrangements through both active and reactive monitoring. In light of the Grenfell Disaster, Doncaster Council's Fire Safety Advisor continues to work closely with St Leger Homes (SLH), and will be assisting with the results of the Type 4 archetypal Fire Risk Assessments that are being undertaken in a number of flats by Savills, a Specialist Contractor. Corporate Health and Safety will continue to work closely with SLH & SYF to assist and advise throughout this process and to ensure the Council's interests are met. There have been two recent incidents with Scaffolding Contractors where Doncaster Council is the project Client. At the Corn Exchange there have been issues regarding the adequacy of hoarding around the scaffold, and concerns about 3 cantilever fixings failing in a 6 month period. The Councils Project Manager is working closely with the Corporate Health and Safety Team to address these issues with the scaffold company's (Interserve) Senior Management Team, and their own Health and Safety Professionals. At Colonnades there have been issues with the lower levels of the scaffold being readily accessible to members of the public. There have also been reports from occupiers of the building that children have been playing on the scaffold. The Councils Project Manager for this job has been working closely with the Corporate Health & Safety Team, and has immediately addressed these issues with the Principal Contractor (Kier), who have implemented a number of controls. Both shafts at the Hatfield Colliery site have now been topped up with spoil by the Coal Authority; removing the previous 17 to 19 metre drop in the shafts. This also prevents the possibility of any unauthorised access to a previously high risk area at the Colliery. A meeting took place on the 28th September 2017 between the Council and the agent (Hargreaves) acting on behalf of the bank (ING) that holds the debt on the Colliery land. The discussions that took place were very positive with a shift towards working together, looking at future development of the area and a potential review of site and risk management. Further meetings have been planned on a bi-monthly basis to ensure progress is taken at all opportunities. In the meantime, Doncaster Council continues to have plans in place to prevent unauthorised access and to manage the on-site hazards. This will reduce the risks to as low as reasonably practicable. Further site visits continue to be undertaken.</p>	<p>8</p> <p>Likelihood</p> <p>Impact</p>

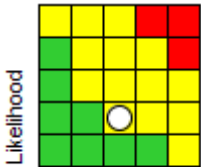
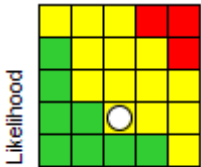
Failure to deliver the EDI Objectives within the Framework could result in the council being exposed to public 'due regard' challenge

Simon Wiles

Current Risk		Target Risk
<p>8</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current Position: The EDI Framework is currently under review, this includes the development of EDI Objectives. It is anticipated that the revised Framework will be presented to Cabinet for approval in February.</p> <p>Mitigating Actions:</p> <ul style="list-style-type: none"> - An EDI Board has been developed, chaired by the Portfolio Holder for EDI and having an EDI member and senior officer Champion for each of the Doncaster Growing Together Themes; - Significant research has been done to inform the development of the revised objectives; - Ongoing review and consultation will ensure the focus is on the delivery of the objectives; 	<p>8</p>  <p>Likelihood</p> <p>Impact</p>

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

Damian Allen

Current Risk		Target Risk
<p>6</p>  <p>Likelihood</p> <p>Impact</p>	<p>Current Position: is that we lack an up to date assessment of child poverty, or a co-ordinated local response, underpinned by any strategy / plan. As a result, we are failing to reduce levels of child poverty in the borough, or mitigate its impact.</p> <p>Mitigating Action: The young commissioners have now identified their three areas to prioritise, based on the initial data provided: health, benefits and debt. These will form the basis of the evidence sessions that are hosted over the next few months to interrogate decision makers. Welfare Reform remains, and is likely to remain, the biggest issue in relation to poverty for the next 12 month period and it is proposed that the primary work of the Anti Poverty Steering Group (APSG) should focus on this area in 2018-19. this approach has been endorsed by Team Doncaster.</p> <p>It is intended that the APSG review the focus of its work every 12 months based on emerging priority issues, performance and anti-poverty indicators and Team Doncaster priorities.</p>	<p>6</p>  <p>Likelihood</p> <p>Impact</p>

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Doncaster Council

Report

Date: 5th April 2018

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

ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2017/18

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		Yes/No

EXECUTIVE SUMMARY

1. This report provides information on the work of Internal Audit during 2017/18 including its overall opinion on the Council's governance, risk management and internal control arrangements. The report is also used to inform the Council's annual governance statement

Appointment of Head of Internal Audit

- 1.1 Colin Earl, Head of Internal Audit left employment with DMBC in March 2018. Peter Jackson has been appointed to the post of Head of Internal Audit.
- 1.2 This annual report reflects the views and opinions of both the outgoing and incoming Heads of Internal Audit who have jointly prepared this report.

Head of Internal Audit Annual Report 2017/18

- 1.3 It is a requirement of the United Kingdom Public Sector Internal Audit Standards (UKPSIAS) that an annual report is produced by the Head of Internal Audit on the work undertaken by the Audit Section. Headlines from the annual report, which is attached at **Appendix 1**, are as follows:
 - Internal Audit's net controllable expenditure for 17/18 is an estimated £482k compared with a budget of £460k.

- The service delivered 1443 chargeable audit days during the year, which was 92% of the budgeted level. The main reason for the shortfall was that one member of staff left at the start of the year. The post was not filled due the planned Service Review which scheduled to take place later in the year. Additional temporary staffing reduced this loss but was partly offset though increased training overheads incurred. This in turn resulted in a slightly higher cost per chargeable day.
 - Approximately 25% of Internal Audit time was used responsively to address issues which arose during the year. This is higher than in recent years and an increased allowance for this type of work has been made in the 2018/19 to reflect this trend.
 - 69% of internal audit recommendations have been implemented. The number of outstanding major recommendations has reduced, and there has been a reduction in the number and proportion of all recommendations not yet implemented and late. Work is ongoing with services to improve implementation rates and time.
 - The service has achieved good overall performance against its key performance indicators.
 - In particular, the service was rated as 'satisfactory' or 'very satisfactory' in 100% of client surveys received.
 - The service carried out a range of investigations during the period, some of which resulted in disciplinary and / or Police action.
- 1.4 Based upon the audit work undertaken during the year, we can confirm that the Council's governance, risk management and internal control arrangements were adequate and operated satisfactorily during the year.
- 1.5 Internal Audit has identified three areas to be considered for inclusion in the Council's 2017/18 Annual Governance Statement (AGS):
- DOLS, (Deprivation of Liberties Safeguard Assessment)
 - Direct Payments
 - Management and Stock Control relating to the Smart Lights Project
- 1.6 Other weaknesses not considered significant enough for inclusion in the AGS have been highlighted by Internal Audit's work during the year and these have been brought to management's attention. The weaknesses do not change Internal Audit's overall opinion on the Council's governance, risk management and internal control arrangements.

Internal Audit conformance with the Public Sector Internal Audit Standards

- 1.7 The Head of Internal Audit has undertaken an annual self-assessment of the Service's compliance with auditing standards. This concluded that Internal Audit is compliant with the requirements of the Standards with one exception;

i.e. the standards require the Audit Committee to approve decisions relating to the appointment and removal of the Head of Internal Audit. This does not currently reflect local government practice and is not regarded to be a material non-compliance issue and so no change is proposed.

- 1.8 The auditing standards require an external assessment of the internal audit service to be conducted at least once every five years. In February 2017, the service was reviewed by the Head of Internal Audit and Risk and an Audit Manager from Kirklees Council. The assessment has confirmed that Doncaster's Internal Audit arrangements meet the highest of the three possible ratings within the auditing standards, i.e. that the service "Generally Conforms" with the standards. Seven observations were raised as part of the review and it is pleasing to report that all of these have been implemented during the course of the year.

Quality Assurance Improvement Programme

- 1.9 A Quality Assurance Improvement Programme, consisting of a full service review, team development activities and a review of a sample of audit work by the Head of Audit, has confirmed audit standards have been maintained and the Service has continued to develop.

EXEMPT REPORT

2. Not applicable, for information only.

RECOMMENDATIONS

3. The Audit Committee is asked:
- To note the Internal Audit Annual Report for 2017/18, including confirmation that the Council's governance, risk management and control arrangements were adequate and operated satisfactorily during the year.
 - To note the Head of Internal Audit's self-assessment and the confirmation from the external peer assessment in 2016/17 that the service is compliant with the Public Sector Internal Audit Standards

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. Effective Internal Audit arrangements add value to the Council in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough.

BACKGROUND

5. This report provides the Audit Committee with information on the outcomes from internal audit work and allows the Committee to discharge its responsibility for monitoring Internal Audit activity.

OPTIONS CONSIDERED

6. Not applicable - for information only.

REASONS FOR RECOMMENDED OPTION

7. Not applicable - for information only.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

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

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none">• Better access to good fulfilling work• Doncaster businesses are supported to flourish• Inward Investment	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none">• The town centres are the beating heart of Doncaster• More people can live in a good quality, affordable home• Healthy and Vibrant Communities through Physical Activity and Sport• Everyone takes responsibility for keeping Doncaster Clean• Building on our cultural, artistic and sporting heritage	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p>	

	<ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>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</p> <p>The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

9. The implementation of internal audit recommendations is a response to identified risks and hence is an effective risk management action.

LEGAL IMPLICATIONS (HMP 14/03/18)

10. There is a statutory obligation on the council to provide an adequate and effective internal audit of its accounts and supporting systems of internal control.

FINANCIAL IMPLICATIONS (AT, 14/03/18)

11. There are no specific financial implications associated with this report. The overspend for 17/18 is a one-off and has been resolved for 18/19.

HUMAN RESOURCE IMPLICATIONS (MLV, 14/03/18)

12. There are no specific HR implications related to the contents of this report.

TECHNOLOGY IMPLICATIONS (PW, 14/03/18)

13. There are no specific technology implications associated with this report. Where applicable, technology implications have been provided in the separate reports referenced in Appendix 1 below.

HEALTH IMPLICATIONS (RS, 14/03/2018)

14. There are no direct health implications of this report. The work on Deprivation of Liberty and Direct Payments should lead to improved health and wellbeing.

EQUALITY IMPLICATIONS (PRJ 14/03/18)

15. We are aware of the Council's obligations under the Public Sector Equalities Duties and whilst there are no identified equal opportunity issues within this report, all of the reports covered by the document will have taken into account any relevant equality implications.

CONSULTATION

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

BACKGROUND PAPERS

17. United Kingdom Public Sector Internal Audit Standards, audit working files and management information, customer satisfaction responses

REPORT AUTHOR & CONTRIBUTORS

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**Colin Earl MBA (dist), IPFA
Peter Jackson FCCA
Head of Internal Audit**

ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2017/18

1. Purpose of the report

- 1.1 The purpose of the report is to present the Head of Internal Audit's annual report, which supports the Council's annual governance assessment and its Annual Governance Statement.
- 1.2 The report also contributes to the requirements of the Accounts and Audit [England] Regulations 2015, which require the Council to maintain an effective Internal Audit.

2. Introduction

- 2.1 The report has been prepared by the Council's Head of Internal Audit. The aim of the report is to provide information on the role of Internal Audit and the work undertaken during the past year, and to support the statement prepared by the Head of Internal Audit on the Council's Governance, Risk Management and Control arrangements.
- 2.2 It is not the intention of this report to give a detailed summary of each of the audits that have been undertaken during the year but to provide a broad review of the Council's control arrangements.

Appointment of Head of Internal Audit

- 2.3 Colin Earl, Head of Internal Audit left employment with DMBC in March 2018. Peter Jackson has been appointed to the post of Head of Internal Audit.
- 2.4 This annual report reflects to views and opinions of both the outgoing and incoming Heads of Internal Audit who have jointly prepared this report.

3. Legislation Surrounding Internal Audit

- 3.1 Internal Audit is a statutory requirement for all local authorities in accordance with Section 151 of the Local Government Act 1972 and more recently the Accounts and Audit [England] Regulations 2015. The main thrust of these statutes is that every authority shall have arrangements for the proper administration of its financial affairs.
- 3.2 The Accounts and Audit Regulations 2015 require councils to maintain an effective internal audit.
- 3.3 It is a requirement of the United Kingdom Public Sector Internal Audit Standards (UKPSIAS) that an annual report is produced by the Head of Internal Audit on the work undertaken by the Audit Section.

4. Reviewing the Service

Internal Audit Resources

- 4.1 Internal Audit's net expenditure in the year was £482k ^{*1} compared with a budget of £460k. Income was generated by providing an Internal Audit service to St Leger Homes throughout the year.
- 4.2 During 2017/18, Internal Audit had an establishment of 9.1 full time equivalent (FTE) staff. The establishment will reduce to 7.9 (FTE) for 2018/19, and the overall available audit days will decrease to 1,345 days for that year.
- 4.3 This decrease in resources is caused by reductions in overall staff numbers after a service review and a temporary vacancy caused by the resignation of a member of the team.
- 4.4 A careful approach to risk based planning and robust performance management of our resources is essential given the level of available resources, but it is the opinion of the Head of Internal Audit that current resource levels provide sufficient capacity to provide an adequate level of assurance about the Council's risk, internal control and governance arrangements to the Audit Committee and the Chief Financial Officer for the previous 2017/18 year and for the forthcoming 2018/19 year.

Audit Work Undertaken

- 4.5 A breakdown of time spent in 2017/18 is summarised below:

Internal Audit Plan v Actual Days April 2017 to March 2018:

	Plan	%	Actual	%
Assurance Work	1083	69.4%	924	64%
Consultancy Work	25	1.6%	28	2%
Responsive Work	331	21.2%	374	26%
Follow-up Work	122	7.8%	117	8%
Total	1562	100%	1443	100%

- 4.6 The reason for the difference between planned and actual time was due to a member of staff leaving the authority at the start of the year. The post was not filled due the planned Service Review which scheduled to take place later in the year. Additional temporary staffing reduced this loss but was partly offset though increased training overheads incurred
- 4.7 An influx of responsive work took place during the year and additional resources were made available to the team by the Chief Financial Officer in accordance with assurances previously given should these circumstances arise. The additional resources were in the form of a

¹ Estimate at March 2018

secondment from another team and through providing additional budget to pay for an experienced auditor through the council's agency agreement.

- 4.8 There were variances across the original categories of work, but priority was given to ensuring sufficient work was completed to enable the Head of Audit to form an opinion on the internal control environment and be responsive to management for their requests for advice and support. The 'contingency' provision available at the start of the year is absorbed into unplanned work during the course of the year, or used to carry out lower priority risk work not included in the agreed audit plan.

Implementation of Recommendations

- 4.9 The Internal Audit Team continues to work closely with managers to encourage a high level of implementation of recommendations that are aimed at improving the level of internal control. The extent to which managers within the Council implement recommendations within agreed timescales is as follows:

	Number of recs made	Implemented (number / %)	In Progress but still in time (number /	Not yet Implemented & out of time (number / %)
2017/18	282	194 / 69%	40 / 14%	48 / 17%
2016/17	405	292 / 72%	0 / 0%	113 / 28%
2015/16	565	328 / 58%	137 / 24%	100 / 18%

- 4.10 The table shows that since 2015/16 management overall is responsive to and takes action to implement audit recommendations.
- 4.11 The significant decrease in the number of recommendations made is attributable to the reduction in school and establishment audits which generated large numbers of lower rated recommendations. There has been an improvement in the recommendations that have not yet been implemented and are late.

- 4.12 The table below shows the improved response made by Directorates to implement actions within the agreed time.

	Number of rec'd Not yet Implemented & out of time April 2017	Overdue rec's at (last date reported to Audit Committee) 1 Feb 2018	Number of rec'd Not yet Implemented & out of time March 2018
Adults, Health & Wellbeing	22	24	11
Regeneration & Environment	37	19	16
Corporate Services	12	16	13
Learning & Opportunities (Children & Young People)	28	10	7
Corporate	14	14	1
Total	113	83	48

- 4.13 Within the above figures, the number of overdue major recommendations has also fallen from 19 in March 2017 to 10 in March 2018. Any major recommendations that are not implemented in line with agreed timescales are reported as part of the Council's quarterly performance and finance challenge process, as well as being routinely reported to Audit Committee. This process has now been extended to include all significant recommendations.

Directorate	Overdue recommendations April 2017				Overdue recommendations March 2018			
	Major	Sig	Mod	Total	Major	Sig	Mod	Total
Adults, Health and WellBeing	2	15	5	22	3	8	0	11
Regen & Environment	0	33	4	37	1	8	7	16
Corporate Services	5	20	1	26	0	10	4	14
Learning & Opportunities (CYP)	12	14	2	28	0	5	0	5
TOTAL	19	82	12	113	6	31	11	48

- 4.14 Whilst progress is being made in improving the rate of implementing audit actions, steps have already been taken to further improve this response, including inclusion of progress in the corporate quarterly performance management (challenge) process, and separate reporting to management by Internal Audit of the details of outstanding recommendations in their respective areas. Efforts will be escalated in this area in the forthcoming year and will bring any relevant matters to the Audit Committee's attention in its progress reports to the Committee.

Customer Satisfaction

- 4.15 At the end of every completed audit, clients are asked to feedback their rating of the auditor's performance. Based upon the team's customer survey responses, the service was again rated as 'satisfactory or very satisfactory' in 100% of all surveys received.

Performance Indicators

- 4.16 At its meeting in June 2013, the Audit Committee agreed the key performance indicators that should be reported to it relating to the performance of the Internal Audit service. The indicators are shown below along with current performance for the year April 2017 to March 2018.

Performance Indicator	Target	April to March	Variance
Percentage of planned audit work completed	90%	87% ^{*2}	-3%
Draft reports issued within 15 days of field work being completed	90%	84%	-6%
Final reports issued within 5 days of customer response	90%	97%	5%
% of critical or major recommendations agreed	100%	100%	-
Cost per Chargeable Day	£308	£334	-£26
Percentage of Customer Satisfaction Surveys rated satisfactory or very satisfactory	90%	100%	10%

- 4.17 The difference between the target and actual percentage of planned audit work completed is due to the reduction in resources available (as set out in paragraph 4.6). Despite this, the Head of Internal Audit has confirmed sufficient work has been carried out to form a view on the Council's

² The calculation of planned work complete takes into account work in progress against incomplete jobs E.g. if 1 job is finished and 2 jobs are 50% complete and assuming there were only 3 jobs on the plan, the plan completion would be $(1 + 0.5 + 0.5)/3 = 66\%$

governance, risk management and control arrangements as required by the audit standards.

- 4.18 The cost per chargeable day is above budget due to lesser resources than planned for and temporary resources costing a higher rate than the permanent staff they partly replaced.
- 4.19 The proportion of draft reports issued within 15 days of fieldwork is below target mainly due to the development needs of a junior member of staff
- 4.20 Results relating to major recommendations and customer satisfaction remain very positive. There has also been an improvement in the timeliness of issuing internal audit reports.

Compliance with the Public Sector Internal Audit Standards (PSIAS)

- 4.21 The Head of Internal Audit is required to report on Internal Audit's compliance with the internal audit standards. Basic requirements for this are as follows:
 - The Head of Internal Audit periodically reviews the internal audit charter and strategy and presents it to senior management and the Audit Committee for approval.
 - The Internal Audit service is organisationally independent.
 - There is a Quality Assurance and Improvement Programme (QAIP), the results of which are reported to senior management and the Audit Committee.
 - There is an external assessment of the service conducted every five years. Kirklees Council's Internal Audit Service reviewed our compliance with the Standards during 2016/17 (see below).
 - All instances of non-compliance with the UKPSIAS are reported to the Audit Committee.
- 4.22 The Head of Internal Audit has undertaken a self-assessment as required by the standards. He has concluded that Internal Audit is compliant with the requirements of the standards with the exception of the following item:
 - The Standards require the Audit Committee to approve decisions relating to the appointment and removal of the Head of Internal Audit. This does not currently reflect local government practice and is not regarded to be a material non-compliance issue and so no change is proposed. This is an issue reported in previous years.

External Assessment

- 4.23 Auditing standards require an external assessment of the internal audit service to be conducted at least once every five years. In February 2017, Internal Audit was reviewed by the Head of Internal Audit and the Audit Manager from Kirklees Council. A separate report has been produced following the external assessment and this was reported to the Audit Committee at its meeting on 6 April 2017.

- 4.24 The assessment has confirmed that Doncaster's Internal Audit meets the highest of the three possible ratings within the standards, i.e. that the service "Generally Conforms" with the standards.
- 4.25 This is an important assessment as it enables the Audit Committee and other key stakeholders to have confidence that the annual opinion of the Head of Internal Audit is supported by a professional and competent service and is evidenced based. It provides stakeholders with the reassurance that they can place reliance on the quality of the work that Internal Audit delivers.
- 4.26 The peer review report identified seven observations noted either by the reviewers themselves, or by Members and Officers interviewed by the reviewers. The observations, and actions emanating from them, have been incorporated into the Service's Quality Assurance Improvement Plan, and progress against the actions have been reported to the Audit Committee on an ongoing basis.
- 4.27 Members should note, as was previously reported during the year, that all observations and actions have now been fully completed.

Quality Assurance Improvement Programme

- 4.28 As well as implementing the recommendations from the Peer Review, this year's quality assurance improvement programme included:
- A full service review conducted by the outgoing Head of Audit. The review confirmed the service meets the requirements of the audit standards and the expectations of the Council, and represents good value for money. The service review identified forward looking actions that will ensure the service keeps abreast of and implements best practice, including modern audit approaches.
 - Implementation of a programme of team development including for example relating to ICT audit, the use of data analytics and a refresh on risk based auditing.
 - A sample of jobs has been reviewed and this showed continuing substantial compliance with the audit standards.

5. Summary of Findings from Audit Reviews

- 5.1 Internal Audit provides an 'opinion' on the control environment for all systems which are examined. A limited / no assurance opinion is given where one or more major / critical risks are identified in the area under examination.
- 5.2 Full information on Internal Audit work completed and outcomes is included in our regular progress reports to the Audit Committee. During

2017/18 the large majority of areas audited received positive audit opinions. Summary details are provided below, in particular relating to areas where significant weaknesses were found and reported.

Main Financial Systems

- 5.3 As part of the annual audit plan Internal Audit undertakes a programme of reviews that covers the main financial systems of the Council. Internal Audit work in these areas is examined by KPMG, who review this work and utilise it as appropriate for their own audit of the Council's annual accounts.
- 5.4 We were able to give positive assurances about the control arrangements in the Council's main financial systems.

Fundamental Weaknesses Arising

- 5.5 There were 3 areas where very significant weaknesses were identified, sufficient for us to recommend their inclusion in the Council's Annual Governance Statement. These were in relation to (1) Deprivation of Liberty Safeguard Assessments (DoLS), (2) Direct Payments and (3) Management and Stock Control relating to the Smart Lights Project.

Deprivation of Liberty Safeguards (DoLS)

- 5.6 While carrying out a proactive audit data analytics exercise to look for fraud and error, we identified that there were payments to staff being made through the Council's creditor system. This data report highlighted payments made to individuals for best interest assessments undertaken for the DOLs Team. This situation had arisen through a lack of existing capacity to undertake Best Interest Assessments.
- 5.7 Our audit found fundamental weaknesses in relation to authorisations, payment controls and inadequate record keeping about assessments made and payments for them.
- 5.8 A full report is being presented to April's Audit Committee meeting as a separate agenda item.

Direct Payments

- 5.9 A review has been completed on direct payments and personal budgets follow up arrangements which has resulted in a limited assurance opinion being given.
- 5.10 In the past few years Personal Budgets and Direct Payments has not been the subject of sufficient management focus meaning inconsistent processes, practices, and procedures have been continued. The drive and focus has been on increasing direct payment numbers without ensuring that adequate knowledge and expertise is in place to govern and manage these. There has been a lack of procedures and guidance for staff and service users meaning inconsistent methodologies are in operation when conducting assessments and reviews.

- 5.11 There continues to be a backlog of care plan reviews and therefore outcome care and support plans may not be fulfilling the service users care needs, but this is not being highlighted. The resource allocation system (RAS), which guides the social care worker in making a decision about resource required to meet needs, is not reviewed to assess where managers or the Risk Panel have approved care plans over the RAS allocated budget. This may identify training requirements if staff are agreeing high care plans or indicate that the RAS is not fit for purpose.
- 5.12 A revised Direct Payment Agreement has not been issued to all service users since the 2014/15 audit as agreed and therefore service users may have outdated agreements in place.
- 5.13 There is now a significant amount of debt being raised and recovered from direct payments since the last audit. £3.81m debt has been raised with £2.5m being collected by the Council and £423k has been written off. £891k is the current amount of outstanding balance owed to the Council. Whilst, this is a positive improvement that such debt is being identified during Direct Payment audits and the debt is being raised, there is a clear need to ensure outcome care and support plans are produced which are more suited to actual needs.
- 5.14 Further progress has also been made in that all new service users have been provided with a prepayment card for their direct payment to be paid into. This allows a time and cost saving for both the Council and the service user in substantially reducing paperwork and administration, without reducing the choice and control for the Service user. As a result of this, £420k has been directly recovered from these accounts without the need to raise a Sales Invoice.
- 5.15 It is pleasing to see that recent changes include the appointment of the Assistant Director of Adult Care and Safeguarding who has acknowledged this as an area for improvement and is taking responsibility for moving this forward. A Programme Management Team has been established to deliver in this area.

Management and Stock Control relating to the Smart Lights Project

- 5.16 The Streetlight project seeks to make savings for the Council by replacing the borough's sodium street lighting lamps with more energy efficient LED lamps. Phase 1 of the project was completed in March 2017 and phase 2 of the project is estimated to be completed by the end of May 2018. After the end of the first phase, it was noted by the project management board that there were some unexplained variations relating to stock reconciliations. An investigation concluded that there has been over-ordering of lamps due to:-
- project management issues,
 - poor communication between the Street Lighting and Stores teams and

- a lack of reconciliations between stocks, fitted lamps and orders.
- 5.17 Lessons learned from phase 1 were fed into the phase 2 audit which has unfortunately encountered similar issues albeit on a smaller scale. This work is currently ongoing and is attempting to reconcile data in 3 different systems to ensure that all lamps have been replaced and that no further over-ordering can take place. A recovery plan has been drafted to deal with the excess stock.

Other Significant Issues Arising

- 5.17 Other areas with limited assurance audit opinions but which, in Internal Audit's view, are not sufficiently significant to require consideration for inclusion in the Annual Governance Statement are summarised below.

Supported Living – Contract Monitoring Review

- 5.18 A Limited opinion was given due to control weaknesses identified in respect of the Care Management Function which may impact upon the commissioning process. Key issues noted were:
- inaccurate review dates which means clients care may not be up to date in accordance with their needs and this can give rise to financial, accounting and cash flow issues.
 - The CareFirst System does not currently have the functionality to record payments made to Service Providers, which makes gathering and reconciliation of payments to services provided inefficient.
 - The lack of up to date reviews may also give rise to data quality issues in respect of the accuracy, completeness and integrity of the data recorded on the CareFirst System.
 - Data recorded on the CareFirst System is not shared with the CCG which hinders the reclaiming of Continuing Health Care (CHC) payments from the CCG.
- 5.19 Management are aware of these issues and these will be addressed in future versions of the Care Management System. Management have confirmed that reviews of care packages will be completed on a timely basis and brought up to date. In the event that resource levels were deemed insufficient, management would consider options such as the appointment of temporary resources via recruitment agencies. The outcome of the review would be presented to the Improvement Board and updates have continued to be presented to this Board.
- 5.20 In respect of the Supported Living Contract, the re-tender process has commenced.

Continuing Health Care – Debt Management

- 5.27 This audit found a lack of accountability, involvement and oversight within Adults, Health and Wellbeing in respect of the CHC recharge process. A

number of practice and process weaknesses were found, which contributed to a significant level of outstanding debt. This has an adverse impact on the Council's financial position. The debt now stands at £1.4m as at 14th February 2018 as against £4.3m at the start of the audit in August 2017

Business Waste and Recycling – Follow Up

- 5.28 This review identified that the data quality and improvements and reconciliation processes agreed and reported in the May 2015 Internal Audit Report and the July 2016 Income Management report which would minimise any potential future cases of un-billed income have not yet been implemented.
- 5.29 The data comparison exercise recently undertaken by Internal Audit has identified customers that have not been billed. 9 customers had been identified requiring backdated invoices to be raised generating income in excess of £10K. Estimates of further unbilled income are in the range of £10-20K.
- 5.30 A fundamental recommendation is for a reconciliation to be routinely carried out by management to demonstrate that all collections have been billed. Despite several revised deadlines provide by management, this reconciliation has still not been carried out.

6. Schools

- 6.1 Internal Audit completed the following work in schools in 2017/18:
- Provision of advice as requested from schools in relation to financial internal controls in areas such as cash handling / banking arrangements, dinner monies and policies etc.
 - Provision of information, advice and support to the Governors' Support Service to ensure audit and governance issues are consistently dealt with across all schools.
 - Conducted thematic audits on ParentPay and Pupil Premium.
 - Followed up agreed actions from the previous year to ensure recommendations were implemented and controls improved
 - Carried out various investigations into potential irregularities arising during the year. A particularly complex investigation is highlighted at paragraph 7.9.

7. Responsive Work.

- 7.1 Approximately 334 days (25%) of Internal Audit time was used to address issues which arose during the year. This is higher than in recent years, and reflects the volume and complexity of work carried out in this area of work
- 7.2 It should be noted that, overall, the Council continues to experience relatively little reported fraudulent activity. Examples of suspected

irregularities included below do not change the audit opinion that, overall, the arrangements in place for preventing and detecting fraud and corruption are satisfactory and do not have a detrimental impact on the overall control environment.

- 7.3 Some of the more significant issues not referred to elsewhere in this report that Internal Audit has addressed during 2017/18 include:

DOLs (Deprivation of Liberty Safeguards) – Best Interest Assessments

- 7.4 A separate report has been provided to Audit Committee at its April meeting which sets out the issues and actions required in this area.

Internal Drainage Boards

- 7.5 A full report has been provided to Audit Committee at its July meeting which sets out the issues which Internal Audit has been involved in, and the many improvements made in this area both at a local and national level. It also sets out further improvements in governance arrangements which could be put in place but which require fundamental changes in governance and responsibility at national level.

Adults Safeguarding Board – Governance Review of Training

- 7.6 This Internal Audit review was commissioned following a safeguarding incident within a Doncaster Council commissioned Care Home. The review identified a number of issues relating to the governance arrangements in respect of the training arrangements across Council commissioned Care Homes. In particular, an assessment had not been undertaken of the effectiveness of the training delivered to Care Homes in terms of quality and impact regarding reducing care related risks. The Council's Moving and Handling Team produce Service Provider moving and handling plans which are the responsibility of the Service Provider. The Absence of an Action Plan / Programme in order to effectively manage the on-going rewrite and update of the Care Homes Contract. In addition, an assessment had not been undertaken of any important multi-agency lessons to be learned arising from the safeguarding incident.

Social Care Provider

- 7.7 This is a potential significant issue regarding the cost for social care provision by a provider incurred either directly by the Council or through direct payments.

Initial investigations around the commissioning and care provided and paid for has highlighted weaknesses in processes. Daily rates for care and the days the service user receives the care on are not clearly documented in care plans and there are no checks undertaken back to care package details to ensure the invoices we received are correct and that care is only being paid for when it has actually been provided.

Occupational Therapy Service

- 7.8 This is a review over concerns over previously poor management of the service. This review will cover financial, governance and asset management arrangements.

Primary School – Loss of Monies

- 7.9 A detailed forensic investigation identified missing monies through misappropriation and theft of funds. The employee has been dismissed.

Adult Care Home Financial Review

- 7.10 Allegations of theft of monies and missing / odd items of expenditure for individuals. Process weaknesses were found, but there was insufficient evidence of any fraud.

Stores and Vehicle Losses

- 7.11 There have been a number of thefts from North Bridge Stores including, expensive items of equipment. This is despite a number of security measures being in place.
- 7.12 The Council's insurers have visited the site and provided an action plan of further possible improvements which is being considered by Management.
- 7.13 The Council has continued to be the target of thieves for vehicle break-ins and vehicle thefts outside the depot. This issue is being raised with the Police as it appears that the Council (along with other organisations) are being targeted in this regards.

Smart Lights

- 7.14 Deficiencies were identified in relation to project management and ordering, leading to potential significant losses to the Council. More details are shown in paragraph 5.16.

ICT Equipment Losses

- 7.15 Internal Audit is assisting management to put in place stronger controls relating to ICT inventories, following an inability to locate small amounts of ICT equipment.

Server Charge

- 7.16 Emergency work was required on a school server which required the replacement of various parts but the schools external IT supplier. There is a dispute as to whether the parts were actually replaced. The invoice has been disputed. This has been referred to Action Fraud which is the UK's national fraud and cyber-crime reporting centre. A review of other transactions did not uncover systematic issues.

Markets Contracts

- 7.17 A concern was raised by the External Auditor regarding Market rents charged and on the stall leases.

8. Assessment of the Council's Governance, Risk Management and Control Arrangements for the Year to 31st March 2018

Based upon the audit work undertaken it has been possible to complete an assessment on the overall adequacy and effectiveness of the Council's governance, risk management and control arrangements.

Accordingly, on the basis of this work, both the incoming and outgoing Heads of Internal Audit for 2017/18 can confirm that the Council's governance, risk management and control arrangements for 2017/18 were adequate and operated satisfactorily during the year.

Colin Earl and Peter Jackson
Head of Internal Audit
15 March 2018

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Doncaster Council

Report

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

INTERNAL AUDIT PLAN 2018/19

EXECUTIVE SUMMARY

1. This report presents the Annual Internal Audit Plan for 2018/19 as drafted by Internal Audit. The plan has been created following careful risk assessment of the Council and its activities (including partnership activities) and was created with assistance from Directors and Assistant Directors and other officers across the Council.
2. This plan (attached to this report) conforms to UK Public Sector Internal Audit Standards (UKPSIAS); these are our professional internal audit standards.
3. FTE numbers available (audit resources) have fallen from 9.1 FTEs in April 2017 to 7.9 FTEs in 2018. This results in a fall in available audit days for the plan from 1562 days to 1345 days. This drop in resources is caused by reductions in overall staff numbers after a service review and a temporary vacancy caused by the resignation of a member of the team.
4. Summary plan details are as follows:

2017/18 Audit Plan

2018/19 Audit Plan

Breakdown of the Plan By Type of Work

	Days	Plan %
Assurance Work	1083	69.4%
Consultancy Work	25	1.6%
Responsive Work	331	21.2%
Followup Work	122	7.8%
<i>Total</i>	<i>1562</i>	<i>100%</i>

	Days	Plan %
Assurance Work	793	58.9%
Consultancy Work	75	5.6%
Responsive Work	370	27.5%
Followup Work	108	8.0%
<i>Total</i>	<i>1345</i>	<i>100%</i>

5. Our plan continues to focus on the areas we consider from our assessment of risks, which can add the most value. To this end we continue to consider corporate priorities, changes

and governance issues along with financial, fraud, ICT and information governance risks.

6. Broadly speaking, our plan remains comparable to that of the previous years but the following points are noteworthy
 - a. Due to a consistently high demand for responsive work across the Council in the last 2 years and the effect that this has on the audit resources to complete planned audit work, the allowance / contingency time reserved for such work has been increased as a prudent attempt to prevent / minimise the effects of responsive work on planned work. The actual level of responsive work cannot be predicted with accuracy.
 - b. Increased time has been allowed for consultancy based work where there has been a high demand requested for these services and also for smaller pieces of advisory work. This is in line with the aspect of the mission statement of internal audit requiring the team to be insightful and adding value.
 - c. Increased time has been allocated to addressing issues that have been identified from the assessment and also highlighted by management within Adults, Health and Wellbeing. In order to deliver this volume of work, assistance will be provided by the directorate's Programme Management Office (PMO).
 - d. The amount of time allocated to Corporate Resources has also increased due largely to cyclical audit coverage requirements.
 - e. A lesser level of coverage is planned for Regeneration and Environment with some audits being those that were slipped from the 2017/18 plan.
 - f. The drop in the number of days allocated to Learning and Opportunities continues to reflect the diminishing audit universe here which is caused by the transfer of local authority schools to academies and less direct service provision and therefore reduces the amount of days to cover associated audit areas.
 - g. Our focus continues from the previous year in ensuring that released audit recommendations / agreed actions are satisfactorily implemented. As a result, we continue to provide follow-up time to work with directorates to ensure that actions are implemented promptly. This allocation is smaller than the previous year and reflects an overall reduction in the number of outstanding actions.
7. As can be seen from the points above, there are many factors taken into account in formulating this plan and some of these factors, ie new and emerging risks and the level of responsive work are largely beyond our control. However, the plan is regularly reviewed and adjusted to take these factors into account. The plan is therefore considered deliverable. Should, however, the delivery of the plan be considered unachievable to the extent that the Head of Audit feels he is unable to provide his annual opinion on the Council's governance, risk management and internal control arrangements, then the Council's Chief Financial Officer & Assistant Director – Finance and Corporate Resources has given his assurance of additional financial support to the team to avoid this situation. This support is consistent with that assured in previous years.
8. Full details of the plan, its construction and associated resources are contained within the report attached.

EXEMPT REPORT

9. This report is not exempt.

RECOMMENDATIONS

10. The Audit Committee is asked to support the 2018/19 Internal Audit Plan.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

11. Effective oversight of internal audit through the Audit Committee adds value to the Council by ensuring that it manages its risks in support of the key priorities and outcomes it seeks to achieve.

BACKGROUND

12. This report is produced annually for Audit Committee inspection / awareness as required under the UK Public Sector Internal Audit Standards.

OPTIONS CONSIDERED AND REASON FOR RECOMMENDED OPTION

13. None. An approved and owned internal audit plan is a fundamental element of the UK Public Sector Internal Audit Standards, as such, there are no available other options.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

14. Internal Audit contributes to the effective management of the Council's risks, which in turn contributes to the achievement of the Council's goals and key outcomes for Doncaster as a whole.

Outcomes	Implications
Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future; <ul style="list-style-type: none">• Better access to good fulfilling work• Doncaster businesses are supported to flourish• Inward Investment	None
Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time; <ul style="list-style-type: none">• The town centres are the beating heart of Doncaster• More people can live in a good quality,	None

Outcomes	Implications
<p>affordable home</p> <ul style="list-style-type: none"> • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	None
<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	None
<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>Internal Audit provide assurance that Council services are robust, well managed and properly safeguard the public purse through reviewing risk, governance and control activities covering the Council's operations and partnership working arrangements.</p>

15. The Council must provide an effective internal audit if it is to meet its statutory obligations.
16. 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 governance, risk management and internal control arrangements. These risks are managed through having an appropriate internal audit plan, supported by adequate internal audit resources.

LEGAL IMPLICATIONS (KDW 20/03/18)

17. The Council must provide an adequate and effective internal audit in order to comply with the requirements of the Accounts and Audit Regulations 2015.

FINANCIAL IMPLICATIONS (AT, 09/03/18)

18. The revenue budget for Internal Audit Services is £454k (excluding internal recharges) and is part of the Corporate Resources budget. The budget from reduced staffing levels referred to above is being retained in Internal Audit following the service review.

HUMAN RESOURCES IMPLICATIONS (MLV, 14/03/18)

19. There are no specific HR implications related to the contents of this report. Any HR implications which result from the outcome of audit's work will be dealt with at the appropriate time and highlighted in any relevant reports.

TECHNOLOGY IMPLICATIONS (PW, 12/3/18)

20. There are no direct technology implications at this time. Internal Audit should continue to consult with Digital & ICT, as necessary, in relation to the Annual Internal Audit Plan for 2018/19 and any arising technology requirements or implications.

HEALTH IMPLICATIONS (VJ, 09/03/2018)

21. There is no direct health implication of this report. The health implications rest with the service areas to be audited as part of Internal Audit Plan 2018/19.

EQUALITY IMPLICATIONS (PRJ 14/03/18)

22. None

CONSULTATION

23. The Chief Executive and Directors were consulted on Internal Audit's proposals.

BACKGROUND PAPERS

Accounts and Audit Regulations 2015
UK Public Sector Internal Audit Standards 2017
Council Risk Register

REPORT AUTHOR & CONTRIBUTORS

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Doncaster
Council

Internal Audit Plan 2018/19

1. PURPOSE

- 1.1. This document provides details of the Internal Audit annual plan for 2018/19 for Doncaster Council. The definition of Internal Audit is set out in the UK Public Sector Internal Audit Standards (the Standards), as:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

- 1.2. This plan and the construction of it are in line with the above standards.
- 1.3. This audit plan is important because it sets out the components of the control environment that need to be audited. These needs are identified after an assessment of risks and throughout the Council taking into account any known weaknesses or concerns, along with sources of assurance that can be relied upon to give assurance over risks in those areas.
- 1.4. The audit plan is dynamic and is constantly under review and amendment to ensure that it meets the Council’s requirements and is addressing the highest priority needs. As a result this plan is revised during the year as is appropriate. Any changes to the plan will be reported to Audit Committee as required by the UK Public Sector Internal Audit Standards.

2. AUDIT REQUIREMENTS

- 2.1. Internal Audit is a statutory requirement as required under the Accounts and Audit Regulations 2015 which state that:

“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”

- 2.2. Internal Audit also has an important role in supporting the Chief Financial Officer and Assistant Director of Finance to discharge his statutory responsibilities, which include:

- S151 Local Government Act 1972 – to ensure the proper administration of financial affairs.

- S114 Local Government Act 1988 – to ensure the Council's expenditure is lawful.
- 2.3. Throughout all of our activities, we are bound by the UK Public Sector Internal Audit Standards. These are professional standards that set out the key elements of an effective internal audit team. These standards are regularly updated and we undertake assessments against them to ensure that we remain compliant with our own professional standards. Additionally, in 2017 a peer review of Internal Audit's compliance with the standards was completed by the Head of Internal Audit at Kirklees Council. This review confirmed the service *Generally Conforms* to the standards; this is the highest level of compliance achievable
- 2.4. Further information on these standards and compliance with them (along with the results of a review of the Internal Audit function) are reported to Audit Committee separately.

3. KEY INTERNAL AUDIT AIMS

- 3.1. Internal Audit intends through its activities to assist the Council in achieving its key priorities, objectives and outcomes. Internal Audit contributes to these aims by helping to promote a suitably secure and robust internal control environment, including the effective management of risks that could prevent the achievement of key priorities.
- 3.2. In all of the work we undertake, we seek to add value by:
- Providing independent assurance on the quality and effectiveness of internal controls and processes;
 - Providing timely reviews of emerging areas of risk, control or governance issues to identify / recommend ways to improve these areas, reduce risks or improve value for money;
 - Examining governance processes and ethical standards and compliance with them to improve standards and transparency, and to protect the Council's reputation;
 - Preventing, detecting and pursuing fraud through our anti-fraud and data matching initiatives (and by recommending control or governance improvements where there are detected incidents to prevent them reoccurring and minimise any losses as a result);
 - Stimulating risk awareness and management throughout the organisation and providing timely advice and support to manage and mitigate risks;

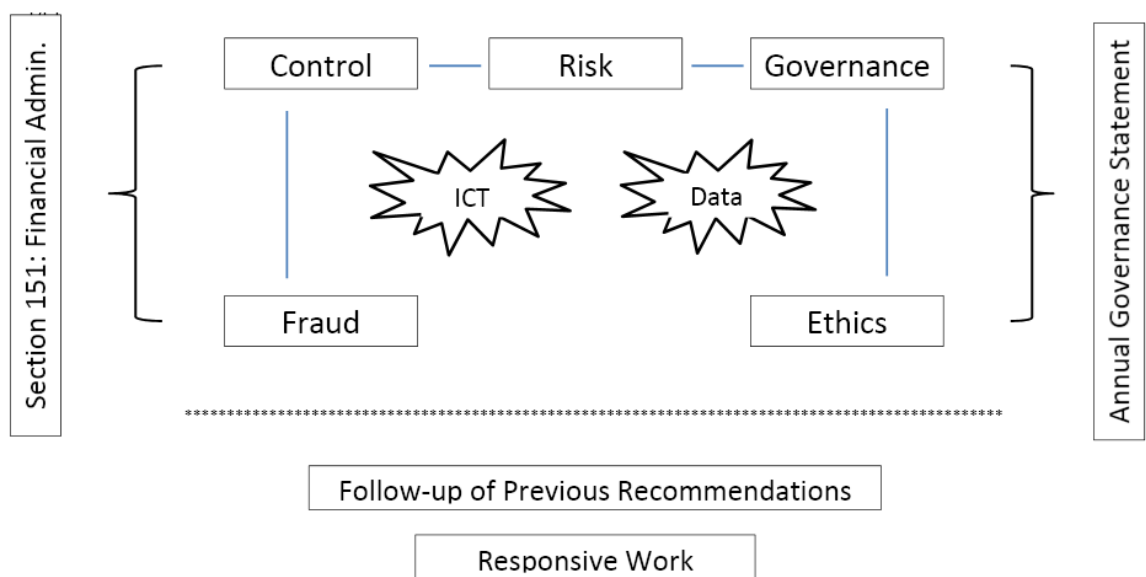
- Providing timely consultancy services and best practice advice during the set-up of new systems / processes or during significant changes to existing systems or processes to ensure that internal control environments are strengthened during changes; Internal Audit's mission statement per UK Public Sector Internal Audit Standards (UKPSIAS) is defined as "To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.". It is through the consultancy and advisory work that the team is most visibly seen as being insightful and adding value and is a well-regarded aspect of the teams work.
- Ensuring that management agreed recommendations are implemented to address identified weaknesses

4. CONSTRUCTING THE AUDIT PLAN

4.1. This plan has been prepared in line with the UK Public Sector Internal Audit Standards (UKPSAIS). It is a risk based plan that has been compiled a risk assessment of the Council's functions and services and risk, control and governance arrangements supplemented by discussions with key officers, Assistant Directors and Directors throughout the Council. This risk assessment was then used to compile a list of audit needs.

4.2. Visually, our approach to audit planning is: -

DONCASTER MBC INTERNAL AUDIT: UK STANDARDS PLANNING MAP



4.3. Our work that we identify as an audit need falls generally into the areas of governance, risk and control. Audits that concentrate on controls generally support our audit work in

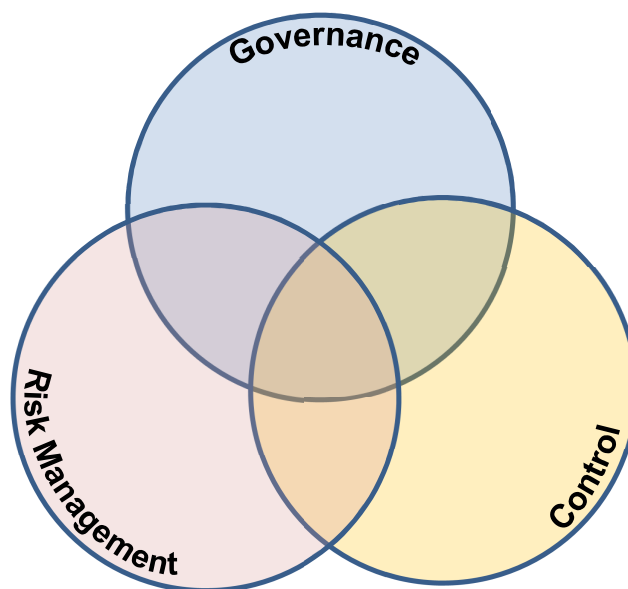
providing assurance to the Council's S151 (Chief Financial Officer) whilst audits concentrating more on the governance elements support the Council's annual governance statement. It should be noted that our audits can and do cover more than one of these areas (governance, risk and control). Wherever we look at control work, we will consider fraud as a matter of course and will consider ethics during any of our governance work. In all of our work we seek to utilise and examine ICT and data / information management risks wherever they are applicable to our work, as ICT and data underpin all of the Council's activities.

- 4.4. The audit standards also require internal audit to consider fraud risks and ethics arrangements.
- 4.5. Our audit planning applies to all services across the Council. The quantum is known as the audit universe. An explanation of the audit universe and planning process was provided to the Audit Committee prior to its meeting in February 2018, to enable the Committee to understand the full universe subject to risk assessment and how the plan is constructed from the risk assessment as well as allowing them the opportunity to raise areas of concern from their perspective to consider as part of the planning process.
- 4.6. Inevitably when we undertake our risk assessments, there are more needs / demands than available resources to review all the areas identified as having a certain level of residual audit risk. As a result, needs were ranked with a priority rating and those audits / projects that added lower overall value to the Council were excluded from the plan. The audits originally identified for potential audit attention and not covered in the plan are included in Appendix B.
- 4.7. A contingency has been allowed for within the plan to deal with new and emerging risks and issues and a separate allowance for the investigation of fraud or irregularities that may be referred to us or uncovered during the year. However, when all new risks emerge, they are compared to those items of need that did not make it into the final plan to ensure that we continue to concentrate on those areas where there is the greatest need and we can add the highest value from our activities. If, towards the end of the financial year, there are unused elements of either contingency, items of need from the list that did not make the final plan will be re-considered for inclusion.
- 4.8. The risk assessment process used to identify items for the audit plan considered:-
 - The Borough Strategy, the Corporate Plan, Doncaster Growing Together and associated outcomes and objectives;
 - Risks including corporate strategic risks and service specific risks;

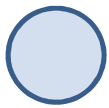
- Key governance and ethical frameworks that govern the Council and its activities;
- Financial and budgetary information;
- Procurement activities and items of high procurement / commissioning spend;
- Service plans and their associated risks;
- Corporate projects and known / planned technological changes;
- Information assets and business systems within service areas (or their absence);
- Data protection risks
- Legislative changes (where appropriate) and national initiatives such as the NFI;
- Fraud risks;
- Partnership risks and significant partnerships;
- Concerns or service changes as identified by key officers, Directors or Assistant Directors; and
- Areas highlighted for consideration at a regional or national level

4.9. Internal audit activity, as defined by UKPSIAS, consists of 2 main distinct forms of activity; assurance activity and consulting activity with the majority of our work being directed at assurance activities. In line with the definition, our assurance activity work focuses on 3 main areas: improving risk management processes, improving governance processes and improving the control environment. As such, our assurance work can be subdivided into these 3 elements.

4.10. Visually this mix can be represented as follows:



A breakdown of these areas / definitions of these areas follows. Crucially, our assurance work can cover more than one of these areas.



Governance

Internal audit must assess and make appropriate recommendations for the improvement of governance processes including ethics and values within the organisation.



Risk Management

Internal audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.



Control

The internal audit activity must assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.

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5. Audit Resources

5.1. The level of audit resource has fallen from 9.1 FTEs in 2017/18 to 7.9 FTEs in 2018/19.

This drop in resources is caused by reductions in overall staff numbers after a service review and a temporary vacancy caused by the resignation of 1 of our staff. A small drop is, therefore, caused by the anticipated lead time in recruiting a replacement for this post.

5.2. Our resource calculations are broken down as follows:

	2016/17	2017/18	2018/19
Gross Days	2788	2356	2097
Less: Annual and statutory leave	485	401	336
Maternity leave	0	0	0
Special leave (other)	9	12	13
Unpaid leave	8	15	15
Election leave	12	10	3
Available days:	2273	1918	1731
Less: Sickness	70	60	53
Service development and improvement	56	34	32
Professional training and CPD	129	71	121
Management and supervision	174	174	163
Attendance at Drainage Boards	-	2	-
Administration and support	24	15	16
Planned Days	1821	1562	1345

6. SUMMARY OF THE DRAFT AUDIT PLAN

6.1. The proposed audit plan can be summarised as follows:

2017/18 Audit Plan

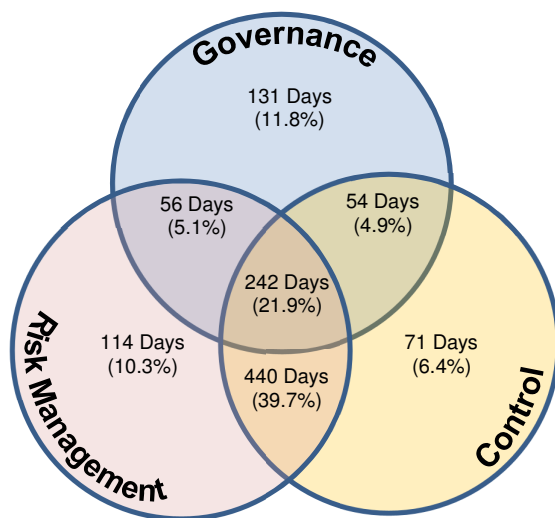
2018/19 Audit Plan

Breakdown of the Plan By Type of Work

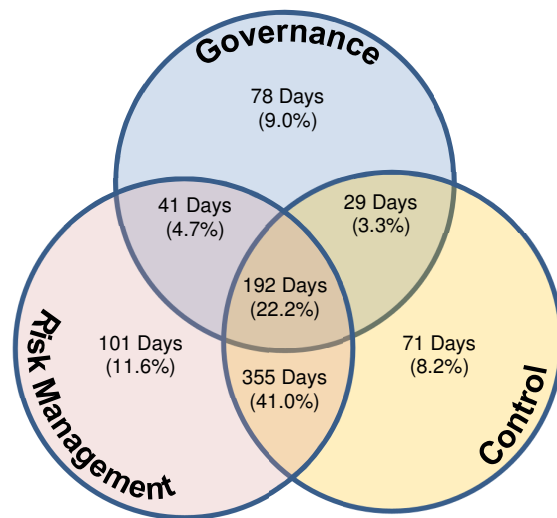
	Days	Plan %		Days	Plan %
Assurance Work	1083	69.4%	Assurance Work	793	58.9%
Consultancy Work	25	1.6%	Consultancy Work	75	5.6%
Responsive Work*	331	21.2%	Responsive Work*	370	27.5%
Followup Work	122	7.8%	Followup Work	108	8.0%
<i>Total</i>	1562	100%	<i>Total</i>	1345	100%

*Responsive work includes time set aside to deal with in year identified issues, an allowance to give proactive advice where needed and a 10% audit plan contingency.

Split of Assurance and Consultancy work in terms of their coverage of Governance, Risk and Control



NB the above is subject to rounding



NB the above is subject to rounding

Breakdown of Assurance and Consultancy Work by Directorate

Days	%	Directorate	Days	%
145 Days	13.2%	Adults, Health and Wellbeing	189	21.7%
235 Days	21.2%	Corporate Resources	221	25.6%
144 Days	13.0%	Learning and Opportunities	65	7.4%
195 Days	17.5%	Regeneration and Environment	119	13.7%
390 Days	35.1%	Corporate Elements	274	31.6%

6.2. Broadly speaking, our plan remains comparable to that of the previous years but the following points are noteworthy:

6.2.1. Due to a consistently high demand for responsive work across the Council in the last 2 years and the effect that this has on the audit resources to complete planned audit work, the allowance / contingency time reserved for such work has been increased as a prudent attempt to prevent / minimise the effects of responsive work on planned work. The actual level of responsive work cannot be predicted with accuracy. Should this level of resource not be required, further planned audits will be added to the audit plan from the list of audits that were considered to be relevant and valuable but could not be ultimately resourced with available resources.

6.2.2. Increased time has been allowed for consultancy based work where there has been a high demand requested for these services and also for smaller pieces of advisory work. This is in line with the aspect of the mission statement of internal audit requiring the team to be insightful and adding value.

6.2.3. Increased time has been allocated to addressing issues that have been identified from the assessment and also highlighted by management within Adults, Health and Wellbeing. This is consistent with our evaluation of the relevant risks of this area. In order to deliver this volume of work, assistance will be provided by the directorate's Programme Management Office (PMO).

6.2.4. The amount of time allocated to Corporate Resources has also increased due largely to cyclical audit coverage requirements (i.e. we routinely undertake high level reviews of financial based systems on a rolling basis, however, on a periodic basis, more detailed reviews need to be undertaken to ensure that the controls we rely upon in other years remain consistent with best practice).

6.2.5. A lesser level of coverage is planned for Regeneration and Environment with some audits being those that were slipped from the 2017/18 plan.

6.2.6. The drop in the number of days allocated to Learning and Opportunities continues to reflect the diminishing audit universe here which is caused by the transfer of local authority schools to academies and less direct service provision and therefore reduces the amount of days to cover associated audit areas.

6.3. The audit planning process includes review of all service areas and key processes across the Council (the audit universe). The risk assessment involved in this review culminates in the production of a long list of risks potentially subject to audit. The list is

reduced through discussions with management about items that may be given lower priority and covered by audit in the year should time permit. A list of the items included in the long list but excluded from the initial audit plan is included in Appendix B. If the risk associated with these items during the year changes (increases), they will be considered for audit coverage at that time. Otherwise, they will be considered for audit work in 2019/20.

- 6.4. As can be seen from the points above, there are many factors taken into account in formulating this plan and some of these factors, ie new and emerging risks and the level of responsive work are largely beyond our control. However, the plan is regularly reviewed and adjusted to take these factors into account. The plan is therefore considered deliverable. Should, however, the delivery of the plan be considered unachievable to the extent that the Head of Audit feels he is unable to provide his annual opinion on the Council's governance, risk management and internal control arrangements, then the Council's Chief Financial Officer & Assistant Director – Finance and Corporate Resources has given his assurance of additional financial support to the team to avoid this situation. This support is consistent with that assured in previous years.

7. Audit Charter and Strategy

- 7.1. Internal Audit maintains a Charter and Strategy which, between them, set out the mission for Internal Audit, its operating arrangements, position within the Council structure, its rights of access to all documentation and all officers and members, the service's objectives and its resources and plans for achieving the objectives. The Charter and Strategy also show how the service complies with key elements of the audit standards.
- 7.2. The Charter and Strategy are reviewed on an ongoing basis and formally considered each year for any revisions / updates required. This year, the formal review will be carried out in time to present an updated Charter and Strategy to the Audit Committee in October 2018 following anticipated updated guidance from CIPFA.

8. Quality Assurance and Improvement Programme (QAIP)

- 8.1. A public sector internal audit services are required to comply with The UK Public Sector Internal Audit Standards (the Standards / UKPSIAS). The Standards require Heads of Internal Audit to establish and carry out Quality Assurance and Improvement Programmes. Doncaster Internal Audit Service maintains appropriate ongoing quality

processes designed to ensure that internal audit work is undertaken in accordance with relevant professional standards.

8.2. Specific Quality Assurance and Improvement checks are conducted as follows:

- The Head of Internal Audit maintains a self-assessment against the Standards to confirm conformance with the Standards.
- Audit files are subject to review on a sample basis by the Head of Internal Audit to confirm quality standards are being maintained. The results of the reviews are documented and any key learning points shared with the internal auditors (and the relevant audit manager) concerned. Appropriate action is then planned in response to any findings.
- From time to time Internal Audit will seek feedback from clients on the quality of the overall internal audit service. Feedback will generally be sought through the use of surveys.
- At least once every five years, arrangements must be made to subject internal audit working practices to external assessment to ensure the continued application of professional standards. The assessment should be conducted by an independent and suitably qualified person or organisation and the results reported to the Audit Committee. The most recent external peer review was completed in 2017 and confirmed Internal Audit “General Conformed” with the Audit Standards (General Conformance is the highest level of accreditation possible).

Appendix A – The Annual Internal Audit Plan

				Standards Alignment			
Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Governance	Risk Management	Control	Audit Days
Assurance Work							
Corporate Items Page 129	Audit Committee Reporting	A provision of time for the servicing of the Audit Committee. This includes scheduling the Audit Committee work plan and agendas, producing routine reports from the Internal Audit team, provision of responsive reports as requested by the Committee and supporting the production of reports from other directorates and attendance at meetings.	This input adds to the efficient and effective running of the Audit Committee. 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. The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.	Y			54
	External Audit Liaison	Liaison with the Council's external auditor as appropriate throughout the financial year.	Liaison with the external auditor ensures that they can complete their work more efficiently and both parties are better informed on relevant issues. It also avoids any possible duplication of work.	Y			3
	National Fraud Initiative	Participation and reporting against the NFI as required.	This piece of work aims to add value by using risk based reviews of the data matches returned by the NFI to detect, correct and investigate fraud and error.		Y		31
	Fraud Risk Management	This reflects an ongoing commitment to managing fraud risk across the Council including the delivery of fraud risk training.	This piece of work aims to add value by ensuring that fraud risks are properly identified and assessed and are being actively managed throughout the Council. Results of this work are routinely reported in the Annual Fraud report.	Y			21
	Annual Governance Statement	Contribution to the Annual Governance Statement as compiled by the Strategy and Performance Unit for publication as part of the Council's annual final accounts.	The Annual Governance statement is key document highlighting areas of weakness in governance arrangements. The work undertaken by Internal Audit during the year results in a substantial and well informed contribution to the report.	Y	Y		5

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment			Audit Days
				Governance	Risk Management	Control	
Corporate Items	Data Matching	An allowance for data matching initiatives to detect fraud and error and/or analyse data to identify business trends. Individual projects will be developed during the year.	This work adds value by matching data sets together to detect fraud and error or identify missing income or system / data weaknesses.		Y		70
	Continual analytics Payroll to Creditors	Continuation of a new and improved payroll to creditors matching service (in house) to detect fraud and inappropriate financial interests and identify possible IR35 breaches (where employees are paid via creditors).	This work adds value by identifying anomalies in terms of potential IR 35 issues and raises issues for investigation in order to prevent / detect possible fraud or collusion.		Y		21
Corporate Resources	Core Financial Systems - Accounts Payable	A full review of the Procure to Pay process. This was last covered in 2017/8 as a high level review.	This review aims to add value by ensuring that procure to pay arrangements remain robust. This audit is an annual audit required due to the large volume and value of expenditure that goes through the system.		Y	Y	10
	Core Financial Systems - Accounts Receivable.	A full review of the accounts receivable process. This service was the subject of a high level review in 2017/18.	This review aims to add value by ensuring that debtor recovery arrangements remain robust. This audit is an annual audit due to the large volume and value of income that goes through the system.		Y	Y	15
	Core Financial Systems - Business Rates	A mid-level review of controls and associated testing will be undertaken in 2018/19. This service received a light touch / high level audit in 2017/18.	This review aims to add value by ensuring that business rate administration and collection remains robust.		Y	Y	10
	Core Financial Systems - Council Tax Collection	A mid-level review of controls and associated testing will be undertaken in 2018/19. This service received a light touch / high level audit in 2017/18.	This review aims to add value by ensuring that council tax arrangements remain robust. This audit is an annual audit due to the large volume and value of income that goes through the system.		Y	Y	10

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment			Audit Days
				Governance	Risk Management	Control	
Corporate Resources	Core Financial Systems - Housing Benefits	This year we will undertake a full review of the Housing Benefits System and associated risks. The service received a high level high level review in 2017/18.	This review aims to add value by ensuring that housing benefit arrangements remain robust following current changes. This audit is an annual audit due to the large volume and value of expenditure that goes through the system.		Y	Y	15
	Core Financial Systems – HR System and Payroll Processing	Advice on the setup of the new HR system and transactional testing to ensure that payroll related expenditure remains well controlled whilst a replacement ICT solution is procured and installed. A full review of the system will then commence, however, this is not likely to be until the 2019/20 financial year.	This review aims to add value by ensuring that arrangements for the processing of payroll related payments by both the Council and its contractor Rotherham Council are robust. It also adds value by ensuring that any controls or developments required are taken into account during the development and installation of the new system being procured.		Y	Y	10
	Core Financial Processes - Housing Rents	A full review of the Housing Rents processes on behalf of the Council to ensure that rents it receives (as administered by St Leger Homes) is accurate, maximised and properly accounted for. The system will change in 2018/19 and a replacement for the current Universal Housing system is being sought. The changes to the control environment therefore necessitate a full review once the system has been introduced.	This review aims to add value by ensuring that the Council maximises its income from Housing Rents and takes action on arrears as appropriate.		Y	Y	15
	Core Financial Processes - Treasury Management	A high level review of the treasury management function and on Treasury Management performance reporting. This area was the subject of a full review in 2016/17	This review aims to add value by ensuring that treasury management processes remain robust and that information about Treasury Management performance is available and being appropriately collated and used. This audit is an annual audit.		Y	Y	8

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment			Audit Days
				Governance	Risk Management	Control	
Corporate Resources	Core Financial Processes - Cashbook	A full review of the cash book core financial system.	This review aims to add value by ensuring that cash book processes remain robust. This audit is an annual audit due to the fact that cash is a resource that is difficult to trace and is the most risky form of income collection.		Y	Y	5
	Local Transaction Processing	Transactional work within user departments across the Council to ensure that financial transactions are robust, accurate and free from fraud and error.	This audit aims to touch areas are not subject to an audit review in the current year to give assurance over financial transaction processing. This maximise the value we add.			Y	26
	Civic Mayor's Fund	A financial administration review of the Civic Mayor's charity fund.	This piece of work ensures that funds are properly safeguarded , used and accounted for and that the Council's reputation in this regard is maintained.		Y	Y	5
	Fixed Assets System (Financial Management)	A new fixed asset system dealing with depreciation calculations has been set up within ERP for use with the final accounts. This system represents a substantial change in processes which have been previously based on spreadsheets. This review will look at data migration arrangements, system usage and the various depreciation calculations.	This audit aims to add value by ensuring that the system set up and associated calculations are appropriate and support accurate and reliable records / transactions for the year-end financial accounts.		Y	Y	14
	HCA Grant	Grant audit and certification of the Homes and Communities Agency grant received on a reciprocal basis with other authorities in the area.	This is grant audit and is part of the grant terms and conditions. Without this review, grant monies are at risk of being reclaimed.			Y	5

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment			Audit Days
				Governance	Risk Management	Control	
Corporate Resources	Corporate Procurement Arrangements	This review will look at the central procurement arrangements to ensure they are robust in identifying and dealing with procurement issues. Whilst procurement is ultimately the responsibility of the procuring manager, a review of central arrangements and actions taken to identify and deal with elements such as off contract spend, expiring contracts and waivers, equalities and diversity arrangements with commissioned services and will ensure that there is a robust challenge to departments. This audit was rescheduled from the 2017/18 financial year.	This review aims to add value by ensuring that central arrangements for the management of procurement are robust and are targeting resources effectively to improve procurement across the Council.	Y	Y	Y	20
	Social media usage and data protection.	This audit will examine the use of social media and associated controls and governance arrangements to ensure that social media use (both in terms of its use in communications and its use for debt collecting and other purposes).	This work was suggested as an area for review by the Surveillance Commissioner's Office after the use of social media as a form of surveillance was noted in some of their audits on similar authorities. This work adds value by ensuring that the reputation of the Council is safeguarded in our outgoing communications and in ensuring that the law (RIPA) is not broken when social media is used for other purposes.	Y	Y	Y	15
	Disaster Recovery	A review of the arrangements in place to ensure the Council can effectively recover from an ICT issue with minimal information losses. This audit was deferred from 2017/18.	This review aims to ensure that arrangements for disaster recovery in terms of the Council's ICT infrastructure and information remain robust so that costs and data loss in the event of a disaster are minimised to minimise the loss of services to Doncaster citizens.	Y	Y	Y	15

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment			Audit Days
				Governance	Risk Management	Control	
Adults, Health and Wellbeing Page 134	Stronger Families Grant Claim	Audit of the Troubled Families Grant Claim (12 claims) and advice and consultancy on the inclusion of the Stronger Families Programme into DIPS (The Digitally Integrated Peoples System). Stronger Families is a pilot area for transfer in 2018/19.	The review and certification of claims helps to ensure that the risk of claw back of funding is minimal and ensure that there is sufficient evidence available for the Council to pass any Department for Communities and Local Government Spot-Checks in this regards. Certification enables the Council to secure government grant funding.			Y	24
	Deprivation of Liberty Standards (DOLS) - Re-review of improvements	This review will continue work in this area to identify and correct elements of poor practice and poor financial administration identified in 2017/18.	This review aims to add value by ensuring that those being deprived of their liberties in order to meet their care needs are being done legally in line with the Mental Capacity Act 2005.		Y	Y	15
	Adults – Contract and Commissioning Team – Review	A review to ensure that there are sound arrangements for the governance and management of the Contract and Commissioning function and that commissioning arrangements are being well managed.	This review aims to add value by ensuring that the contract and commissioning team are able to deliver services and contribute to the delivery of savings aligned to directorate plans.	Y	Y	Y	10
	Contract Monitoring Review - Commissioned Care at Home	This audit will undertake a contract monitoring review of the commissioned care at home contract to ensure that it is properly managed, is achieving value for money and is delivered to specification. This will also ensure that payments reflect the services that are actually commissioned / delivered.	This review ensures that best value is obtained from the contract.		Y	Y	21
	Adult Contact Team - Process and Governance Review	This review will look at the triage arrangements in place to deal with vulnerable adults as they present to social or community workers to ensure that they receive appropriate help and support in a timely and consistent manner.	Improvements in this area help increase community led support to reduction other more costly services.	Y	Y	Y	15

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment			Audit Days
				Governance	Risk Management	Control	
Adults, Health and Wellbeing	Adult Payments Systems - Residential care	Review of financial payment systems and processes cover payments for residential care. NB this is not an audit looking at the collection of contributions from service users (which is Financial Assessments). This audit will look at arrangements to monitor and pay for agreed residential placements.	This review adds value though ensuring there are sound financial arrangements in place to establish that payments are made only for goods and services received.		Y	Y	15
	Adult Payments Systems - Day care	Review of financial payment systems and processes cover payments for day care services. NB this is not an audit looking at the collection of contributions from service users (which is Financial Assessments). This audit will look at arrangements to monitor and pay for agreed day care placements.	This review adds value though ensuring there are sound financial arrangements in place to establish that payments are made only for goods and services received.		Y	Y	15
	Community Adult Learning Disability Team (CALDT) Process and Governance Review	Review of process and arrangements within CALDT to ensure that assessments undertaken are robust, appropriate and well managed to ensure that adults with learning disabilities are placed in the most appropriate care for them (whether this be residential care or supported independent living arrangements).	This audit aims to add value by ensuring that placements to residential care are robust and appropriate and that they represent value for money. This review also ensures that vulnerable service users are receiving the right support.	Y	Y	Y	15
	Direct Payments - follow up review	Follow up review assessing progress against issues raised in previous (recent) audit work. This will be undertaken in conjunction with the Project Management Office.	This review aims to add value by ensuring that the lack of control and issues previously identified are addressed in an appropriate way and that control in this area has now been brought to a satisfactory level.		Y	Y	10

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment			Audit Days
				Governance	Risk Management	Control	
Learning and Opportunities	Social Mobility	To review the governance arrangements over the scheme and between the partners ensuring high standards of responsibility, accountability and delivery of outcomes.	This is a high profile scheme in a priority area under the Doncaster Growing Together plan. Delivery is important as well as ensuring best value is gained from the £8.75m funding allocated in this area.	Y	Y		15
	Schools of Concern	Targeted help and support at schools of concern to improve their governance or financial governance.	Improves governance and Financial Governance at specific schools.	Y		Y	21
	Primary School Audit	Undertake financial and governance review of a specified primary school. (Name withheld)	This review will improve the finance management and governance within the school which has problems identified in this area.		Y	Y	10
	Employment and Skills Funding Agency (ESFA) Contract for Adult, Family and Community Learning (AFCL) and Apprenticeships Review	The release of the annual Qualification Achievement Rate (QAR) identified that both the Apprenticeship cohort and the Education and Training (AFCL, Adult Education Budget) had fallen below the threshold for the required minimum standard. This creates a risk of grant clawback. This review will cover the contract management arrangements including the performance management processes and associated financial risks, including governance	To maximise the effectiveness of the contract ensuring best value is obtained from the grant funding and quality of delivery is maintained.	Y	Y	Y	10

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment			Audit Days
				Governance	Risk Management	Control	
Regeneration and Environment Page 137	Bus Service Operators Grant (2 claims)	Required grant sign off in order to progress the Bus Service Operators Grant (BSOG) claim.	Review and sign off of this grant is required as part of the grant terms and conditions. This work adds value by ensuring that grant monies can be claimed, this time from the Department of Transport.			Y	8
	Highways Grant	Review of grant expenditure in line with the terms and conditions of the grant and the sign off and certification of expenditure in line with grant requirements.	Review and sign off of this grant is required as part of the grant terms and conditions. This work adds value by ensuring that grant monies can be claimed.			Y	3
	Business Doncaster	A review of the arrangements in place within Business Doncaster for the management of loans and grants to companies setting up in the area from an anti-fraud perspective. This audit was deferred from 2017/18.	This review will ensure that the anti-fraud arrangements are robust enough to detect and deter fraud whilst at the same time ensuring that opportunities to maximise local growth are not stifled.	Y	Y	Y	15
	Metro Clean	Financial - maximising of income, ensuring income is all collected; ensuring anti-fraud controls are resilient for staff payments and ensuring that the ICT system feeding into payroll is robust.	This audit aims to ensure that income is collected and maximised. This audit also gives assurance on data quality and data protection.		Y	Y	15
	Emergency Planning	A review of the emergency planning function to ensure that response arrangements for borough wide emergencies remain robust.	This review ensures that the borough wide emergency planning initiatives are robust and suitable and that arrangements with partner organisations are in place to manage emergency situations.	Y	Y	Y	10

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment			Audit Days
				Governance	Risk Management	Control	
Regeneration and Environment Page 138	Public Buildings Maintenance (PBM) Review	A full review of the PBM function including financial and costing elements in order to make sure that the new system is appropriately set up and functioning and to make recommendations for improvement in functions to improve efficiency (both in operational processes and costing and billing processes). This audit was deferred from 2017/18 to allow the new system time to embed.	Aims to add value by ensuring income is maximised, ensuring financial recording / report is accurate for the final accounts and ensuring that any data quality issues are addressed within the new system both in terms of any migrated information and any new data arrangements.		Y	Y	21
	Stores and Public Buildings Maintenance	A full review of the operating of the Stores function including a review of stock handling and system usage for costing and stock control purposes. This audit was differed from 2017/18 to allow the new system time to embed.	This work adds value by ensuring that stocks are well controlled and that their delivery is effective and supports the delivery of other functions such as Highways, PBM and Street Scene efficiently.		Y	Y	15
	Fleet Management - Customer Charging	A review of customer charging within the new system covering both internal and external charges to clients for vehicle lease and repair and the administration of fuel charges within the new system.	Gives assurance on the reliability of the surplus funds on this account and assurance that customers are being billed accurately.		Y	Y	10
	Highways and Street Lighting	A new field based costing system SICLOPS is has been brought in to replace the use of the TASK/TOTAL system in Highways. This review will look at how the system is operating in practice to ensure that project costing and monitoring and therefore the associated customer billing, is robust and accurate and that income in this area is being maximised as a result.	This audit aims to add value by ensuring that changes introduced into this area are functioning well and are contributing to increased efficiency. This audit also adds value by ensuring that all costs are promptly tracked ad that income is being billed and collected efficiently.		Y	Y	21

				Standards Alignment			
Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Governance	Risk Management	Control	Audit Days
Consultancy Work							
Corporate Resources	Data Quality	This piece of work will work alongside the newly developing Data Quality team to identify data quality issues through the development of assessments and consolation on system / process changes required to improve data quality. This piece of work will also input to the developing governance in this area.	This piece of work adds value by improving data quality and therefore improving business intelligence and the reliability of decisions made based on the Council's data.	Y	Y		21
631 Adults, Health and Wellbeing	Deprivation of Liberty Standards (DOLS) - DIPS Development	This review will look at new arrangements being put in place with in the DOLS Team to ensure that deprivation of liberty assessments are completed robustly and in a timely manner for all those entering residential care or having their liberty / freedoms curtailed due to health needs.	This review aims to add value by ensuring that those being deprived of their liberties in order to meet their care needs are being done legally in line with the Mental Capacity Act 2005.		Y	Y	10
	Joint Commissioning Review	Advice and consultancy into the review of joint commissioning arrangements between the CCG and the Council to ensure that as these arrangements are developed that they are fit for purpose and deliver best value.	Joint commissioning is pivotal to the effective delivery of Council services to ensure services delivered are fit for purpose and deliver best value.		Y	Y	10
	Doncaster Integrated People Solution (DIPS) - Advisory	Advice and support as required to service management / the DIPS team in the specification, procurement and implementation of the IT solution for Adults and Children’s’ services	This work adds value through our input into risk, control and governance issues surrounding the development of this major IT solution. This should help improve operations, data quality and data protection and enhance decision making.		Y	Y	21

				Standards Alignment			Audit Days
Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Governance	Risk Management	Control	
Adults, Health and Wellbeing	Children's and Adult's Services - Governance Training and Awareness	Provision of training and awareness to staff within the directorates covering good governance and management practices, internal control, finance including fraud awareness. This would be delivered by other relevant teams within Corporate Resources e.g. Financial Management, Legal and Democratic Services etc. and co-ordinated with HR Organisational Development to track the courses and their completion / effectiveness.	Improving managements skills in these areas will help deliver better managed and controlled services			Y	5
Learning and Opportunities	School Governors Agenda	This time is to provide information, advice and support to the (school) Governors' Support Service to ensure audit and governance issues are consistently dealt with across all schools.	Improves Governance across schools.	Y		Y	8
Follow-Up Work							
	Follow-up						108
Responsive Work							
Page 140	Advice Provision						73
	Fraud Investigations						162
	Contingency						135

Appendix B

The following areas were identified through the audit planning process as presenting risks to the effectiveness of the Council's governance, risk management or control arrangements. They have been excluded from the audit plan itself as they present lower risks than areas included in the plan. If any risk assessment changes, escalating the risk assessment in any of these areas, they will be re-considered for coverage in the plan. All areas will be reconsidered for audit coverage in 2019/20:

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment		
				Governance	Risk Management	Control
Adults, Health and Wellbeing Page 142	Residential care placement arrangements.	<i>This audit aims to assess the robustness of placement arrangements for adults in residential care placements and will concentrate on procedures and policies in place to identify suitable and cost effective placements are being sought.</i>	<i>This audit adds value by giving assurance over placement arrangements and their value for money.</i>		Y	Y
	Delayed Transfer of Care (DTOC) Process and Governance Review	<i>Review of the process and arrangements within the process for ensuring that individuals in hospital are transferred appropriately and at an appropriate time to other suitable accommodation.</i>	<i>Improvements in this area take pressure off vital health resources and this is an area subject to national monitoring.</i>		Y	Y
	Public Health - Tobacco Control Arrangements	<i>Assess Public Health arrangements over tobacco control within the authority through the use of a toolkit which assesses compliance with best national practice.</i>	<i>This review adds value through an independent assessment whether arrangements meet best national practice</i>			Y
	Mental Health Team	<i>Review of governance and performance arrangements within the team covering operational processes and activities including triage and case file recording</i>	<i>This review will ensure that service users needs are met and that resources are being used effectively</i>			

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment		
				Governance	Risk Management	Control
Adults, Health and Wellbeing Page 143	Day Centre – Transport Charge – Financial Administration Review	A financial administration review of the arrangements to cover day centre transport costs and recover monies / contributions from clients. This review will cover the systems and processes for day care transport.	This audit aims to ensure that income is collected and maximised.			Y
	New Build Library and Museum	A review of the governance and financial modelling of the new build library and museum development at Waterdale, ensuring effective governance models and a robust financial revenue model is in place for the service, post-2020, identifying any risks, gaps, and further considerations. This work should also understand and correspond with the commissioning of work in Q4 17-18.	This work provides assurance that this project will deliver the new build on time and on budget, and that the building delivered will be financially sustainable from the time of opening in 2020.		Y	Y
	Community Safety Service Delivery Model Review - Advisory	Support and assistance to the review providing advice over governance, risk and control issues faced by the project which seeks to identify and assess alternate models of community safety services.	This work adds value though helping shape better services for the future.		Y	Y
	Day Care service Delivery Model Review - Advisory	Support and assistance to the review providing advice over governance, risk and control issues faced by the project which seeks to identify and assess alternate models of day care services	This work adds value though helping shape better services for the future		Y	Y
	Leisure Services Transfer Arrangement	Review of management and governance arrangements within the service prior to its transfer to Public Health.	This review ensures the services are well managed and that grant funding is appropriately managed.	Y		Y

Directorate	Audit Project	Suggested Scope of proposed audit	Value Added by this work	Standards Alignment		
				Governance	Risk Management	Control
Learning and Opportunities	L & O -CYP Functional Review Evaluation	Evaluation of the outcomes of the L & O – CYP Directorate Functional Review undertaken in 2017/18 in terms of its efficiency and effectiveness and the value added through the review, identifying any opportunities for improvement	These types of reviews are important to realign services to best meet the Council's current and future needs. They require significant resources and have major impacts on the organisation and the people affected by them both within the council and to service users. Internal Audit can provide an independent and objective review to identify any improvements to reviews of this nature their application in future reviews		Y	Y
Corporate Resources	Partnership Governance Compliance	A review of the new partnership governance arrangements and their work in practice to ensure that these are being complied with.	This adds value by ensuring that the partnership arrangements are working properly and are delivering the governance that was outlined.			Y
	Coroners Services	A financial and anti-fraud review of the coroners service.	This piece of work would add value by providing assurance over financial administration, information governance and over controls surrounding the proper management and issuing of death certificates as an anti-fraud measure.		Y	Y

<i>Directorate</i>	<i>Audit Project</i>	<i>Suggested Scope of proposed audit</i>	<i>Value Added by this work</i>	<i>Standards Alignment</i>		
				<i>Governance</i>	<i>Risk Management</i>	<i>Control</i>
<i>Regeneration and Environment</i>	<i>Building Control Financial Administration Review</i>	<i>A financial administration review of income management from building control activities. This will include a review of the data protection / information management practices within the team in line with corporate priorities.</i>	<i>This audit aims to ensure that monies due to the authority are being received and that data is being properly protected.</i>		Y	Y
	<i>Pool car and fleet vehicle sales</i>	<i>A financial review of the processes to dispose of Council vehicles after usage.</i>	<i>This audit aims to add value by ensuring that income from these sources is maximised and that assets in use are appropriate accounted for and safeguarded. This audit also adds value by ensuring that these sales and decisions are free from fraud and error.</i>		Y	Y

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Doncaster Council

Report

Date: 5th April 2018

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

AUDIT COMMITTEE ANNUAL REPORT 2017/18

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		Yes/No

EXECUTIVE SUMMARY

1. The production of an annual report allows the Audit Committee to demonstrate it has fulfilled its terms of reference and share its achievements with the whole Council. The production of such a report also complies with current best practice for audit committees. This report asks Members to note and approve the draft Audit Committee Annual Report for 2017/18, attached to this report.

Particular ways in which the Audit Committee has contributed during the year include:

- Helping to maintain and improve the Council's system of internal control by reviewing internal and external audit work carried out during the year.
- Supporting improvement in the Council's control arrangements by ensuring appropriate action is taken to implement audit recommendations and calling officers to account where explanations over any lack of progress are required. This has brought about a notable reduction in the number and significance of outstanding recommendations.
- In particular, reviewing and ensuring appropriate action is taken in response to significant weaknesses found in the management of the Safeguarding Adults Personal Assets Team (SAPAT), Deprivation of Liberty Safeguard (DOLS) Assessments, Direct Payments, Business Waste and Recycling, Adult, Health and Wellbeing - Contract and

Commissioning Arrangements and the governance arrangements at Doncaster's Internal Drainage Boards.

- Critically assessing the Council's governance arrangements and supporting the production of an accurate Annual Governance Statement
- Strengthening the strategic risk register and risk mitigation actions by critically appraising the risk register and by receiving explanations from Directors on their management of strategic risks.
- Further strengthening the management of risks through the review and challenge of directorates' approaches to risk management.
- Supporting the maintenance of the good standards achieved in producing the Council's Statement of Accounts, while meeting shorter timescales now required.
- Supporting the development of the Council's Anti-Fraud and Corruption arrangements.
- Ensuring the Council's surveillance policies are kept up to date and reviewing surveillance carried out by the Council.

The Annual Report is a positive report which reflects the effective contribution made by the Audit Committee during the year.

EXEMPT REPORT

2. Not applicable, for information only.

RECOMMENDATION

3. **The Audit Committee is asked to approve the attached Audit Committee Annual Report 2017/18.**

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

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

BACKGROUND

5. The Audit Committee is a key part of the governance arrangements of the Council. It is appropriate that the important work of the Committee is shared with the rest of the Council and other stakeholders. The draft Annual Report of the Audit Committee, attached at **Appendix 1** to this report, sets out key aspects of the work undertaken by the Committee during 2017/18.

OPTIONS CONSIDERED

6. Not application, for information only.

REASONS FOR RECOMMENDED OPTION

7. Not applicable, for information only.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

- 8 A key role for the Audit Committee is to oversee the effectiveness of the management of risks and internal controls, which contributes to the successful achievement of the Council's objectives. Any improvement in the management of the risks will have a positive impact increasing the likelihood of the Council achieving these objectives and goals. The Audit Committee's work is, therefore, relevant to all priorities but in particular the following:

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most</p>	

	vulnerable residents; <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	Connected Council: <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>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</p> <p>The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

9. The Audit Committee contributes to the effective management of risks. The ways in which it does this are summarised in the attached draft report.

LEGAL IMPLICATIONS (KDW 20/03/18)

10. The Audit Committee is a key part of the Council's control environment and the work it does contributes to the Council's overall responsibility to maintain an adequate and effective system of internal control.

FINANCIAL IMPLICATIONS (AT, 09/03/18)

11. There are no identified financial implications arising from this report.

HUMAN RESOURCES IMPLICATIONS (MLV, 14/03/18)

12. There are no specific HR implications related to the content of this report.

TECHNOLOGY IMPLICATIONS (PW, 12/03/18)

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

HEALTH IMPLICATIONS (VJ, 13/03/18)

14. There is no direct health implication of this report. The health implications rest with the service areas to be audited as part of Internal Audit Plan 2018/19.

EQUALITY IMPLICATIONS (PRJ 14/03/18)

15. Whilst there are no identified equal opportunity issues within this report, all of the reports identified within the annual report would have been subject to their own relevant equalities implications assessment.

CONSULTATION

16. This report consults with the Audit Committee over the production of an Annual Report.

BACKGROUND PAPERS

17. Various Audit Committee Reports from July 2017 to April 2018 Audit Committees.

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Chief Financial Officer
and Assistant Director of Finance

Annual Report of the Audit Committee 2017/18

Annual Report of the Audit Committee 2017/18

Foreword by Chair of the Audit Committee

I am pleased to present this report which highlights the contribution this Committee has made during 2017/18 to the achievement of good governance and internal control within the Council.

The Audit Committee oversees the production of the Council's statutory accounts, the management of risks within the Council and the operation and effectiveness of the Council's internal control arrangements. It fulfils this role by considering and approving reports from officers responsible for financial management and governance within the Council and from the Council's external auditors.

Where relevant, the Committee also makes recommendations for action to address any deficiencies identified by or reported to the Audit Committee. The Committee has requested several officers to attend Committee during the year to provide additional information on particular areas of concern

Most notably has been the attendance during the year of the Director of Adults Health and Wellbeing and members of his management team. They have reported on the improvements they are striving to make in their Directorate which has faced operational challenges that have been reported to the Committee and also been included within the Annual Governance Statement. These matters have included improving financial management and controls in weak areas, notably Safeguarding Adults Personal Asset Team, Deprivation of Liberty Safeguards and the Solar Centre. They now have improved controls on the contract and commissioning arrangements with a resultant drop in the number of breaches of contract procedure rules occurring.

This year the Committee continued checking the Council's risk management arrangements, by receiving the concluding reports and presentations from Directors about their management of risks which had commenced in 2016/17.

There have been many further benefits from our work. Main outcomes and improvements include:

- A clean external audit opinion on the Council's Statement of Accounts, confirming their accuracy and completeness against shorter reporting timescales
- Confirmation by external audit that the Council has in place the arrangements required to achieve its objectives and deliver its services economically, effectively and efficiently
- A further reduction in the number of audit recommendations not implemented
- Demonstrable improvements in Governance at Doncaster's' Internal Drainage Boards and improved partnership governance arrangements generally

In April 2017, the Committee was pleased to note the positive outcome of the 2016/17 external review of our Internal Audit Service which was confirmed as having the highest level of compliance with auditing standards. I am pleased to note that all observations / actions have been completed during 2017/18.

Councillor Austen White
Chair of the Audit Committee, 2017/18

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1. INTRODUCTION

This annual report on the work of the Council's Audit Committee shows:

- How the Audit Committee has fulfilled its terms of reference
- How the Council's arrangements comply with national guidance relating to audit committees
- How the Audit Committee has contributed to strengthening risk management, internal control and governance arrangements.

2. TERMS OF REFERENCE

The Terms of Reference for the Audit Committee are reviewed each year to ensure they represent current regulations and best practice as outlined within guidance for audit committees from the Chartered Institute of Public Finance and Accountability.

The core functions of the Audit Committee are:

- To oversee Internal and External Audit activity at the Council
- To ensure the Council's risk management is effective
- To ensure there is an appropriate regulatory framework that operates effectively
- To oversee the production of the Council's accounts
- To oversee the production of and approve the Council's Annual Governance Statement
- To ensure appropriate standards of ethical governance are in place and maintained.

The current Terms of Reference and more details about the responsibilities relating to Standards can be found on the Council's website.

3. COMMITTEE INFORMATION

Audit Committee Membership

The Committee has five elected members:

- Councillor Austen White(Chair)
- Councillor Richard Jones (Vice Chair)
- Councillor Susan Durant
- Councillor Iris Beech
- Councillor David Nevett

The Committee has one independent co-opted member with non-voting rights serving on the Audit Committee, Kathryn Smart.

Audit Committee Meetings

The Committee has met on five occasions during the year:

- June 2017
- July 2017
- October 2017
- February 2018
- April 2018

This frequency of meetings is agreed to ensure the Audit Committee can fulfil its responsibilities in an efficient and effective way.

The July 2017 meeting of the Audit Committee was particularly important, when the Committee fulfilled its responsibility to approve the 2016/17 Statement of Accounts and to recommend the adoption of the 2016/17 Annual Governance Statement.

Various other reports are fundamental to the Audit Committee, including:

- Internal and External Audit Plans for the year.
- The External Auditor's Annual Audit Letter.
- The Head of Internal Audit's Annual Report.

The Audit Committee has fulfilled its mandatory obligations during 2017/18.

4. COMMITTEE ACHIEVEMENTS

A list of the reports considered by the Audit Committee can be found in **Appendix A**. The main outcomes of the Committee's work in relation to its core functions can be summarised as follows:

Internal Audit

The Audit Committee:

- Received and considered the 2017/18 Annual Report of the Head of Internal Audit, which included his opinion on the Council's internal control environment.
- Received and considered information on the performance and effectiveness of the Internal Audit Team.
- Received and considered regular reports from the Head of Internal Audit on the Internal Audit Team's progress in delivering the planned work and summaries of reports issues and approved any necessary changes to the plan as a result of new and emerging risks or special investigations. The reports also provided monitoring information on the implementation of agreed audit recommendations.
- Continued to provide support to the Internal Audit Team to ensure management was responsive to recommendations made and agreed.
- Agreed the Internal Audit Annual Plan for 2018/19.
- Noted the positive outcome of the External Assessment of Internal Audit's compliance with the Public Sector Internal Audit Standards and that all observations and actions had been implemented during 2018/19.

External Audit

The Audit Committee:

- Received and considered reports on the External Auditor's progress against the agreed plan.
- Considered fees proposals for the External Audit.
- Continued to provide support to the External Auditors to ensure management was responsive to recommendations made and agreed.
- Received and considered the External Auditor's Grants Report 2016/17.

Regulatory Framework

The Audit Committee has:

- Considered and noted the Audit Committee Prospectus, Terms of Reference and Work Programme.
- Noted and approved the Annual Report of the Audit Committee.
- Overseen the production of and recommended the adoption of the Annual Governance Statement.
- Received reports on Compliance with the Council's Financial Procedure Rules and Contract Standing Orders, including breaches and waivers of the Contract Procedure Rules.
- Received reports on risk management and its operation within the Council including the updated strategic risk register.
- Considered reports on the management of strategic risks within the Council.
- Received and considered the Annual Fraud Report for the Council.
- Considered and approved the Fraud Risk Register and Counter Fraud Initiative Report.
- Received and noted reports on progress on the Council's Governance Plan, which includes all actions the Council has committed to, to enable it to maintain strong governance arrangements.
- Received regular reports on surveillance conducted by the Council under the Regulation of Investigatory Powers Act 2000.
- Considered and noted the Annual report of the Monitoring Officer.
- Reappointed an Independent Member of the Audit Committee

Core Function - Accounts

The Audit Committee has:

- Received reports on the Statement of Accounts and accounting policies used to prepare the accounts.
- Approved the Statement of Accounts and the amendments to the accounts following their approval by the Chief Financial Officer & Assistant Director – Finance.
- Received and considered reports from the External Auditor on the Statement of Accounts.

Other Issues

The Audit Committee also considered reports on the following specific issues which arose in the period:

- Deprivation of Liberty Safeguards (DOLS) Interim Audit Report
- Adult Social Care commissioning Review Programme 2017-2021
- Safeguarding Adults Personal Assets Team – Responsive Review
- Income Management Progress Report
- Update Report on Contract and Commissioning in Adults, Health and Wellbeing

- Improving Governance at Doncasters' Internal Drainage Boards
- Partnership Governance Arrangements
- Preventing and Detecting Fraud and Error

Compliance With Best Practice

Prior to its meeting in January 2016, the Audit Committee held a facilitated self-assessment session assessing the Audit Committee's compliance with current best practice. This assessment was against a checklist from the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance "Audit Committees – Practical Guidance for Local Authorities and Police 2013 Edition."

Updated guidance will be available early in 2018/19 and a similar exercise is anticipated to be held when the guidance becomes available.

The self-assessment confirmed the Committee substantially complies with current best practice; while highlighting 3 areas of particular focus for the Committee. The actions that came out of the last review have been implemented and are shown below.

Area	Action
Raising awareness about the role and purpose of the Audit Committee with possible extended reporting to full Council	Proposals to provide for questions to the Chair of Audit at Council Meetings are being put forward Implemented
Increasing the skills of Audit Committee members through induction and ongoing targeted training	Induction training is delivered for new audit committee members and targeted ongoing training is delivered to the full Audit Committee throughout the year Implemented
Supporting the development of risk management	The Committee requested directors to report to the committee on their arrangements for managing strategic risks and on their general approach to risk management Implemented

Awareness of the role and purpose of the Audit Committee has been raised by reporting to full Council.

Further training and updates were provide to the Audit Committee and other interested members throughout the year. Topics included:

- Accounts Preparations and Training/Awareness on the Statement of Accounts
- Risk Management
- Local Governance Arrangements and Internal Audit Planning
- Governance Update
- GDPR Preparations

Directors have reported their arrangements for managing strategic risk and on their general approach to risk management to the Audit Committee during the year.

In early 2018/19 a further self assessment will be carried out against the checklist from the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance “Audit Committees – Practical Guidance for Local Authorities and Police 2013 Edition.”

AUDIT COMMITTEE ACTIVITY – 2017/18

Appendix A

Function / Issue	Jun 2017	July 2017	Oct 2017	Feb 2018	Apr 2018
Monitoring Officer Annual Whistleblowing and Standards Report	Received				
Regeneration and Environment – Strategic Risk Management	Received				
Covert Surveillance – Regulation of Investigatory Powers Act 2000 (RIPA) Update	Received				
Audit Committee Prospectus, Terms of Reference and Work programme 2017/18	Received				
Audit Committee Actions Log	Received				
Statement of Accounts 2016/17	Received				
Annual Governance Statement 2016/17	Received				
Local Code of Corporate Governance	Received				
Quarter 4 2016/17 Strategic Risk Update	Received				
Audit Committee Actions Log		Received			
Deprivation of Liberty Safeguards (DOLS) Interim Audit Report		Received			
2016/17 Annual Governance Statement		Received			
Statement of Accounts 2016/17 – ISA Report to those charged with Governance		Received			
Internal Audit Report for the period: April 2017 to 4 July 2017		Received			
Internal Audit Strategy and Internal Audit Charter		Received			
Partnership Governance Arrangements		Received			
Improving Governance at Doncasters' Internal Drainage Boards		Received			
Audit Committee Actions Log			Received		
Breaches and Waivers to the Financial and Contract Procedural Rules			Received		
Adult Social Care Commissioning Review Programme 2017-2021			Received		
Safeguarding Adults Personal Assets Team – Responsive Review			Received		
External Auditor (KPMG) Annual Audit letter 2016/17			Received		
Internal Audit Progress Report for the period: July to October 2017			Received		
Preventing and Detecting Fraud and Error – April 2016 to September 2017			Received		
Income Management Progress Report			Received		
Quarter 1 2017/18 Strategic Risk Update			Received		
Regulation of Investigatory Powers Act				Received	
Audit Committee Actions Log				Received	
Update Report on Contracts and Commissioning in Adults, Health and Wellbeing				Received	
2016/17 Annual Governance Statement – Progress Update				Received	

Quarter 2 2017/18 Strategic Risk Update				Received	
Internal Audit Progress Report for the Period: October 2017 to January 2018				Received	
External Auditor's (KPMG) Audit Plan 2017/18 and Arrangements for the preparation of the 2017/18 Accounts				Received	
Audit Committee Annual Report					Received
Annual Report of the Head of Internal Audit 2017/18					Received
Audit Committee Actions Log					Received
Report on any non-compliance with Financial Procedure Rules and Contract Procedure Rules					Received
Internal Audit Plan 2018/19					Received
Corporate Risk Register Q3					Received
Certification of Claims and Returns – Annual Report 2017/18					Received
Reappointment of Independent Member of Audit Committee					Received
Solar Centre Update Report including Internal Audit Review					Received
Review of Risk Management Framework					Received
DOLS Internal Audit Report and Assessment Update					Received

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Doncaster Council

Report

Date: 5th April 2018

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

KPMG -INTERIM AUDIT UPDATE AND TECHNICAL AUDIT REPORT

EXECUTIVE SUMMARY

1. The external auditor KPMG have provided the audit committee with a high level overview on the progress in delivering their responsibilities as our external auditors against the audit plan. KPMG have identified a further significant risk during the year in relation to the overstatement of the fixed asset values in the balance sheet.
2. Further details on this are provided in the Progress Report and Technical Update.

EXEMPT REPORT

3. Not applicable.

RECOMMENDATIONS

4. The Audit Committee is asked to consider the report.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. These arrangements will contribute towards the Council receiving an unqualified opinion on their 2017/18 accounts and secure good governance and value for money in its use of resources.

BACKGROUND

6. The External Audit Plan covers how the audit is performed in terms of the risks identified, key deliverables, timeline and fees for the audit.
7. KPMG are required to satisfy themselves that the Council's accounts comply with statutory requirements and that proper practices have been observed in their compilation. The statutory responsibilities and powers are set out in the

8. The Code of Audit Practice covers two main responsibilities requiring KPMG to review and report on the Council's: -
 - a. Financial statements (including the Annual Governance Statement) providing an opinion on the Council's accounts; and
 - b. Use of Resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the Council's use of resources (the 'value for money' or VfM conclusion).
9. KPMG have identified a further significant risk in relation to the overstatement of fixed assets values in the Balance sheet.
10. Further details of this risk are provided on page 6 of the Progress Report and Technical Update.

OPTIONS CONSIDERED

11. Not applicable.

REASONS FOR RECOMMENDED OPTION

12. Not applicable.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

13. These are detailed in the table below: -

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<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 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>
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	

	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	

RISKS AND ASSUMPTIONS

14. KPMG need to be confident that the information in the accounts is accurate and reliable otherwise they may not be able to give an unqualified opinion on the accounts.

LEGAL IMPLICATIONS [Officer Initials SRF Date 14/3/18]

15. The Council is subject to statutory external audit and performance evaluation by KPMG in their role as the external auditor for the Council.
16. The Council must comply with the CIPFA's Code of Practice on Local Authority Accounting (the 'Code') when preparing the accounts.
17. The accounts and audit regulations 2011 (and the 2015 regulations) and the Local Audit and Accountability Act 2014 specify the deadlines for signing and producing the accounts and when they will be available for public inspection.

FINANCIAL IMPLICATIONS [Officer Initials...RS...Date...14.03.18]

18. There is no change in the proposed fee for the audit work for 2017/18 and is £164,844, which is the same fee as 2016/17.

HUMAN RESOURCES IMPLICATIONS [Officer Initials...KG...Date 15/3/18]

19. There are no specific HR implications in relation to the contents of this report.

TECHNOLOGY IMPLICATIONS [Officer Initials...PW...Date 15/3/18]

20. There are no technology implications in relation to this report.

HEALTH IMPLICATIONS [Officer Initials...RS...Date 14/3/18]

21. Effective audit and governance should contribute to improved health and wellbeing by maximising the effectiveness of public spending.

EQUALITY IMPLICATIONS [Officer Initials...KK...Date...14.03.18]

22. This report has no specific equality implications.

CONSULTATION

23. Not applicable.

BACKGROUND PAPERS

24. None.

REPORT AUTHOR & CONTRIBUTORS

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**Steve Mawson
Chief Financial Officer
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Progress Report and Technical update





Doncaster Metropolitan Borough Council

March 2018

Contents

The contacts at KPMG in connection with this report are:		Page
Clare Partridge Partner KPMG LLP (UK) Tel: 07990 551735 clare.partridge@kpmg.co.uk	External audit progress report	4
	Technical developments	7
	Appendices	
	1. 2017/18 audit deliverables	10
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This report provides the audit committee with an overview on progress in delivering our responsibilities as your external auditors. The report also highlights the main technical issues which are currently having an impact in local government. If you require any additional information regarding the issues included within this report, please contact a member of the audit team. We have flagged the articles that we believe will have an impact at the Authority and given our perspective on the issue:

 High impact  Medium impact  Low impact  For information



External audit progress report

External audit progress report

This document provides the audit committee with a high level overview on progress in delivering our responsibilities as your external auditors.

At the end of each stage of the audit we issue certain deliverables, including reports and opinions. A summary of progress against these deliverable is provided in Appendix 1 of this report.

Area of responsibility	Commentary
Financial statements	<p>Our External Audit Plan 2017/18, presented to you in January 2018, set out the four stages of our financial statements audit process. During January to March 2018 we completed our planning and control evaluation work. This covered:</p> <ul style="list-style-type: none"> — review of the Council's general control environment, including gaining an understanding of the Council's IT systems; — testing of certain controls over the Council's key financial systems; — review of relevant internal audit work; and — review of the Council's accounts production process, including work to address prior year audit recommendations and the specific risk areas we have identified for this year. <p>We have also identified a further significant risk during the year in relation to the overstatement of the fixed asset value in the balance sheet as a result of previous componentised asset revaluations over the years 2015/16 and 2016/17 being double counted and inflating the base by approximately £33.5m. This has no impact upon Council Tax and is merely a capital accounting adjustment that will flow through the capital accounts. See page 6 for more details.</p>
Value for Money	<p>Our VFM conclusion considers how the Council secures financial resilience and challenges how it secures economy, efficiency and effectiveness.</p> <p>We follow a risk based approach to target audit effort on the areas of greatest audit risk.</p> <p>In line with the risk-based approach set out in our External Audit Plan 2017/18, we have:</p> <ul style="list-style-type: none"> — Assessed the Council's key business risks which are relevant to our VFM conclusion; — Identified the residual audit risks for our VFM conclusion, taking account of work undertaken in previous years or as part of our financial statements audit; — Considered the results of relevant work by the Council, other inspectorates and review agencies in relation to these risk areas; and — Concluded to what extent we need to carry out additional risk-based work. <p style="text-align: right;"><i>Continued on page 5</i></p>

External audit progress report (cont.)

Area of responsibility	Commentary
Value for Money (continued)	<p>We completed our initial VFM risk assessment prior to issuing our Audit Plan in January 2018, this identified a significant Risk around Children's Services Trust overspends and Adult Services contracts. Our work on this risk is still ongoing.</p> <p>We will report our final conclusions in our <i>ISA 260 Report 2017/18</i>.</p>
Other work	<p><i>Accounts Production Process</i></p> <p>We consider that the overall process for the preparation of your financial statements is adequate.</p>

External audit progress report (cont.)

Following our plan presented to you in January 2018 we have identified a further significant risk in relation to the overstatement of fixed asset values in the Balance Sheet.

The Council has a good understanding of the key audit risk areas we identified and is making progress in addressing them.

However, these still present significant challenges that require careful management and focus. We will revisit these areas during our final accounts audit.

Work completed

In our External Audit Plan 2017/18, presented to you in January 2018, we identified the key audit risks affecting the Council's 2017/18 financial statements.

Our audit strategy and plan remain flexible as risks and issues change throughout the year. To date we have identified a new risk to those previously communicated in relation to the overstatement of the fixed asset value in the balance sheet as a result of previous componentised asset revaluations over the years 2015/16 and 2016/17 being double counted and inflating the asset base by approximately £33.5m.

We have been discussing these risks with relevant officers as part of our regular meetings. In addition, we sought to review relevant

workings and evidence and agree the accounting treatment as part of our interim work.

Key findings

The Council has a clear understanding of the risks and is making progress in addressing them. However, these still present significant challenges that require careful management and focus. We will revisit these areas during our final accounts audit.

The new risk requiring specific audit attention and procedures to address the likelihood of a material financial statement error is outlined below.

Risk: Overstatement of fixed asset values in the Balance Sheet

During 2015/16 and 2016/17, when revaluations had been undertaken for componentised assets by the Council's valuers, the Council had posted the revalued amount all to the building category – rather than splitting this across the building, mechanical and external component values/categories. This has resulted in the assets being overstated by the existing component value. The Council have brought the previous pre-revaluation values for the mechanical and external categories forward to reflect the value that they have historically been held in the asset register. This has resulted in a misstatement of asset values held on the Balance Sheet of approximately £33.5m. This has no impact upon Council Tax and is merely a capital accounting adjustment that will flow through the capital accounts.

There is a risk that the 2017/18 Financial Statements will be materially misstated if a prior period adjustment is not made to the 2016/17 and 2015/16 Financial Statements to reflect the correct fixed asset value in the Balance Sheet.

Approach:

We shall:

- Review the Council's response to the identified overstatement to understand the proposed treatment of the assets in the current year and previous years;
- Assess whether the proposed response is adequate; and
- Ensure the correct accounting treatment is made and disclosures comply with the Code, including whether the prior period adjustment is correct.



Technical developments

NAO Report – PF1 and PF2

Level of impact: ● (For Action)	KPMG Perspective
<p>The NAO has recently published a report on Private Finance Initiative (PFI) and the introduction of a reformed model of the PFI called PF2.</p> <p>There are currently over 700 operational PFI and PF2 deals, with a capital value of around £60 billion, and annual charges for these deals amounted to £10.3 billion in 2016-17.</p> <p>The report presents information on the rationale, costs, benefits, use, and the impact of PFI, and discusses the extent to which it may be able to make savings from existing PFI contracts. The report also highlights some of the reasons for PFI reform and the introduction of PF2.</p> <p>The report does not suggest whether or not the PFI and PF2 models deliver value for money, but highlights the costs and benefits of entering into PFI and now the PF2.</p> <p>A copy of the report can be accessed from the NAO website at the following link:</p> <p>https://www.nao.org.uk/report/pfi-and-pf2/</p>	<p>Those charged with governance may wish to consider the costs and benefits of entering into PFI and PF2 arrangements.</p>

Statutory Guidance for Local Authority Investments and the Minimum Revenue Provision

Level of impact: ● (For Information)

The Ministry of Housing, Communities and Local Government (MHCLG) has published its summary of responses to the consultation regarding Local Authority investments and the minimum revenue provision.

The guidance on minimum revenue provisions (MRP) applies for accounting periods starting on or after 1 April 2019, with the exception of paragraphs 27-29 of the guidance ("Changing methods for calculating MRP"), which apply from accounting periods starting on or after 1 April 2018.

The investment guidance also applies from accounting periods starting on or after 1 April 2018.

A copy of the responses can be found at the following link:

<https://www.gov.uk/government/consultations/proposed-changes-to-the-prudential-framework-of-capital-finance>



Appendix

Appendix 1

2017/18 audit deliverables

Deliverable	Purpose	Timing	Status
Planning			
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	January 2018	Complete
Interim			
Interim report	Details and resolution of control and process issues. Identify improvements required prior to the issue of the draft financial statements and the year-end audit. Initial VFM assessment on the Council's arrangements for securing value for money in the use of its resources.	March 2018	Complete
Substantive procedures			
Report to those charged with governance (ISA 260 report)	Details the resolution of key audit issues. Communication of adjusted and unadjusted audit differences. Performance improvement recommendations identified during our audit. Commentary on the Council's value for money arrangements.	July 2018	TBC

Appendix 1

2017/18 audit deliverables (cont.)

Deliverable	Purpose	Timing	Status
Completion			
Auditor's report	Providing an opinion on your accounts (including the Annual Governance Statement). Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	July 2018	TBC
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	August 2018	TBC
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	August 2018	TBC
Certification of claims and returns			
Certification of claims and returns report	Summarise the outcomes of certification work on your claims and returns for Government departments.	December 2018	TBC



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Doncaster Council

Report

Date: 5th April 2018

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

EXTERNAL AUDITOR (KPMG) CERTIFICATION OF CLAIMS AND ANNUAL RETURNS – ANNUAL REPORT 2016/17

EXECUTIVE SUMMARY

1. This report brings the external auditor's – KPMG – report 'Annual Report on Grants and Returns work 2016/17' to the attention of Members of the Council's Audit Committee.
2. The document formally sets out KPMG's certification arrangements, the Council's responsibilities in this area and matters arising from the audit of claims for this period.

EXEMPT REPORT

3. Not applicable.

RECOMMENDATIONS

4. The Audit Committee is asked to consider the report and note its findings.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. These arrangements will contribute towards the Council receiving an unqualified opinion on their 2017/18 accounts and secure good governance and value for money in its use of resources.

BACKGROUND

6. Under section 28 of the Audit Commission Act 1998, KPMG make arrangements for certifying claims and returns in respect of grants or subsidies paid by the Government to local authorities.
7. Processes will continue to be enhanced to ensure that claims and returns comply with conditions set by the grant paying body and that the claims and

returns are fully completed and accurate. There were four claims and returns that required audit certification for 2016/17: -

- a. Housing Benefit Subsidy
- b. Pooling of Housing Capital Receipts Return
- c. Employment Based Initial Teacher Training Grant
- d. Teachers' Pension Authority EOYCa Return

	2015/16	2016/17
Number of claims and returns certified	4	4
Number of claims and returns which were issued a qualification letter	1 (25%)	1 (25%)
Total cost of certification work	£26,603	£34,035
Change in audit fee (year on year)	-£16,277 (-38%)	£7,432 (28%)

8. The Housing Benefit Subsidy claim of £90.8m was qualified. Seven errors were identified, relating to HRA property in Non-HRA cases, incorrect earnings in Non-HRA rent rebates, incorrect earnings in Rent Allowances, incorrect classification of overpayments, ineligible backdated expenditure in rent allowances, extended payments granted in rent allowances when conditions not met and manual adjustment error in rent allowances. Four of the errors were either misclassifications or potential under/overpayments which are reported to the Department for Work and Pensions (DWP) in the qualification letter. No amendments were made to the claim.
9. The report makes two recommendations that, "The Council should provide additional training for their assessors in the calculation of Earned income" and "The Council should provide additional training for their assessors in the assessment as to what was the cause of the overpayment and whether this is reflected correctly in the subsidy claim. The council should consider sample testing the overpayments identified in the subsidy claim". As a result, the council have reminded staff to take extra care entering the relevant data and further guidance has been issued to processing staff when applying a rent increase or decrease. In addition to the steps above, a random 2% checking sample is already carried out and high value payments are separately checked.

OPTIONS CONSIDERED

10. Not applicable.

REASONS FOR RECOMMENDED OPTION

11. Not applicable.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

12. These are detailed in the table below: -

	Outcomes	Implications
	Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;	The audited Statement of Accounts provides information on all Council priorities incorporating

	<ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	income and expenditure for all Council services.
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	An unqualified audit opinion 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>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	

RISKS AND ASSUMPTIONS

13. Failure to address issues reported by the auditor could lead to a lower standard of financial control and accountability, potential claw-back of grant and higher external audit fees.

LEGAL IMPLICATIONS [Officer Initials SRF Date 14/3/18]

14. The Council is required to arrange the certification of claims made in respect of various grants. The provision of this report meets that requirement.

FINANCIAL IMPLICATIONS [Officer Initials...RI...Date...07.03.18]

15. The fee for the same four claims in 2015/16 was £26,603, an increase of £7,432. The difference is due to an increase in the fee for the Housing Benefit Subsidy claim. These fees are set nationally by the Public Sector Audit Appointments company.

HUMAN RESOURCES IMPLICATIONS [Officer Initials...MLV...Date...08.03.18]

16. There are no specific HR implications in relation to the contents of this report.

TECHNOLOGY IMPLICATIONS [Officer Initials...PW...Date...08.03.18]

17. There are no technology implications in relation to this report.

HEALTH IMPLICATIONS [Officer Initials...RS...Date...08.03.18]

18. There are no direct health implications in this report.

EQUALITY IMPLICATIONS [Officer Initials...RI...Date...07.03.18]

19. This report has no specific equality implications.

CONSULTATION

20. Not applicable.

BACKGROUND PAPERS

21. None.

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



Doncaster Council

Report

5th April 2018

Relevant Cabinet Member(s)	Wards Affected	Key Decision
n/a	n/a	No

To the Chair and Members of the AUDIT COMMITTEE

REAPPOINTMENT OF INDEPENDENT MEMBER TO THE AUDIT COMMITTEE

EXECUTIVE SUMMARY

1. This report seeks the Audit Committee's agreement to recommend to the Full Council that it gives approval to re-appoint Kathryn Smart for a further 4 years as the Council's co-opted, non-voting, independent member to sit on the Audit Committee. Kathryn Smart is CIPFA qualified and has extensive experience in finance, audit, assurance, risk management and governance as well as 4 years' experience on this Council's audit committee. Kathryn also holds positions on other audit committees.

EXEMPT REPORT

2. The report does not contain exempt information.

RECOMMENDATIONS

3. That the Audit Committee agrees to recommend that Full Council agree the re- appointment of Kathryn Smart as the co-opted, non-voting, independent member to sit on the Audit Committee for a further 4 year period to 31st May 2022.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. The appointment of a co-opted member to the Audit Committee is not a statutory requirement. It is, however, in line with CIPFA (Chartered Institute of Public Finance and Accountancy) best practice to have an independent person with a financial background and expertise in some areas of the roles and responsibilities of an Audit Committee. The person appointed will provide external robust challenge to the work of the committee which 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. The work undertaken by the Audit Committee also improves and strengthens governance arrangements within the Council and its partners.

BACKGROUND

5. At the Annual meeting of Council on 13 June 2014, Council agreed to appoint one co-opted, non-voting, independent member to sit on the Audit Committee. Interviews were held on 18 September 2014 by a panel comprising the Chair of the Audit Committee (Council Austin White), Vice-Chair of the Audit Committee (Councillor Richard Jones), the Director of Finance and Corporate Services (Simon Wiles) and Head of Internal Audit (Colin Earl). The panel recommended Kathryn Smart be appointed to this position.
6. Kathryn Smart's term will expire in May 2018 and following consultation with members of the Audit Committee and Kathryn, it has been proposed to reappoint Kathryn for a further 4 years , to 31st May 2022, as the co-opted, non-voting, independent member to sit on the Audit Committee.

OPTIONS CONSIDERED AND REASON FOR RECOMMENDED OPTION

7. Kathryn Smart's term will expire in May 2018. The Council can either carry out another recruitment process for a co-opted, non-voting independent member to sit on the audit committee, or it can re-appoint Kathryn Smart for a further term.
8. Kathryn Smart has a wealth of experience and knowledge on finance and governance matters, and has performed the role of co-opted, non-voting independent member diligently. Following consultation with members of the Audit Committee and Kathryn, it has been proposed to reappoint Kathryn for a further 4 years , to 31st May 2022, as the co-opted, non-voting, independent member to sit on the Audit Committee. Members of the Audit Committee have confirmed they would welcome Kathryn to continue in this role and Kathryn has confirmed that she is happy to continue undertaking this role.
9. It is therefore proposed that she be re-appointed for a further 4 years, to 31st May 2022.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

13.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	

	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>The reappointment of a co-opted, non-voting, independent member to sit on the Audit Committee will enhance the work of the Committee and bring an external robust challenge to its activities.</p> <p>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</p> <p>The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS & ASSUMPTIONS

14. There are no identified risks associated with this report.

LEGAL IMPLICATIONS (HMP, 13/03/18)

15. The appointment of a co-opted member to the Audit Committee is not a statutory requirement. The Council has chosen to appoint a co-opted, non-voting independent member as a means of bringing an independent, objective perspective to the audit and governance work of this Committee which is in line with CIPFA guidance.

FINANCIAL IMPLICATIONS (AT, 13/03/18)

16. A co-optees' allowance of £618 per annum is currently payable to any co-opted member sitting on the Council's Committees in accordance with the Members'

Allowance Scheme. This is met from existing provision in the Members' Allowances budget.

HUMAN RESOURCES IMPLICATIONS (MLV, 14/03/18)

17. The individual referred to in this report is not being appointed as an employee of the council therefore there are no specific human resources implications related to the content of this report.

TECHNOLOGY IMPLICATIONS (PW, 12/3/18)

18. There are no technology implications associated with this report.

EQUALITY IMPLICATIONS

19. 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

HEALTH IMPLICATIONS (RS, 13/02/2018)

20. There is no direct health implication of this report. The health implications rest with the service areas to be audited as part of Internal Audit Plan 2018/19.

CONSULTATION

21. The re-appointment of the Independent Member is proposed following consultation with members of the Audit Committee and with the existing appointee.

BACKGROUND PAPERS

22. None

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