



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: Virtual Meeting via Microsoft Teams

Date: Monday, 19th October, 2020

Time: 2.00 pm

The meeting will be held remotely via Microsoft Teams. Members and Officers will be advised on the process to follow to attend the Audit meeting. Any members of the public or press wishing to attend the meeting by teleconference should contact Governance Services on 01302 736723/ 737462/ 736716 for further details.

BROADCASTING NOTICE

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Damian Allen
Chief Executive

Issued on: Friday, 9 October 2020

Governance Services Officer for this meeting: Andrea Hedges
Tel. 01302 736716

Doncaster Metropolitan Borough Council
www.doncaster.gov.uk

Items for Discussion:

Page No.

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 23rd July 2020. 1 - 6

A. Reports where the public and press may not be excluded.

5. Audit Committee Actions Log. 7 - 12
6. Review of the Whistleblowing Policy. 13 - 28
7. Breaches and Waivers to the Council's Contract Procedural Rules. 29 - 40
8. Internal Audit Progress Report for the period: July 2020 to September 2020 41 - 66
9. Statement of Accounts, Local Code of Corporate Governance and Annual Governance Statement 2019/20 - ISA 260 Report to those Charged with Governance 67 - 136

Members of the Audit Committee

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

Councillor Charlie Hogarth, Tosh McDonald and David Nevett

Co-opted Member: Kathryn Smart

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

THURSDAY, 23RD JULY, 2020

A MEETING of the AUDIT COMMITTEE was held via teleconference ON MICROSOFT TEAMS on THURSDAY, 23RD JULY, 2020, at 10.00 am.

PRESENT:

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

Councillors Charlie Hogarth, Tosh McDonald, David Nevett and Co-opted Member Kathryn Smart

Also in Attendance:

Peter Jackson – Head of Internal Audit
Debbie Hogg – Director of Corporate Resources
Holly Wilson – Head of Corporate Procurement
Helen Potts – Principal Legal Officer
Faye Tyas – Assistant Director of Finance
Robert Isaac – Financial Planning and Control Manager
Gareth Mills – Grant Thornton (External Auditors)
Perminder Sethi – Grant Thornton (External Auditors)

45 Declarations of Interest, if any

Kathryn Smart, Co-Opted Member of the Audit Committee declared an interest in Agenda Item 7 by virtue of her employment.

46 Minutes of the meeting held on 17th June 2020.

RESOLVED that the minutes of the meeting held on 17th June, 2020, be approved as a correct record.

47 Audit Committee Actions Log.

The Committee considered a report that provided an update to Members on any actions from previous Audit Committees. Members noted that all actions were progressing well, and there were no actions outstanding from any meetings prior to October 2019. This was a standard report considered by the Committee at each meeting and allowed Members to closely monitor any issues where needed.

Members were happy with the updates provided within the report and had no questions that required any further clarity.

RESOLVED that the Audit Committee note the progress being made against the actions agreed at previous committee meetings.

48 Covert Surveillance - Regulation of Investigatory Powers Act 2000 (RIPA) Update.

Members were presented with the six monthly update of the Regulation of Investigatory Powers Act 2000 (RIPA) that provided information to the Committee on the Council's use of its powers to detect and prevent crime using surveillance and undercover officers and informants.

Members noted that only one RIPA surveillance had been authorised since January 2020, although the restrictions placed as a result of the Covid-19 meant that no surveillance had been undertaken. Now that now lockdown was beginning to ease, it may be possible to reassess this. However, fresh authorisation would be required from the Magistrates Court before any surveillance could be undertaken.

RESOLVED that:

- 1) The Audit Committee noted that only one directed surveillance application had been authorised under RIPA since January 2020;
- 2) The Audit Committee noted that there were no changes to the Council's RIPA policy and Procedure following the last set of minor amendments in June 2019 after recommendations received from Investigatory Powers Commissioners; and
- 3) The Committee noted that five training sessions with 75 staff in the Enforcement Team had been undertaken in 2019/20

49 Breaches and Waivers to the Councils Contract Procedure Rules July 2020.

The Audit Committee were provided with a report that provided details of all breaches and waivers for the four-month period from March to June 2020. This report was produced by exception in order to give an overview of the situation relating to contracting, procurement and governance activity arising from Covid-19.

Members noted that whilst there had been no breaches in the last four-month period, there had been 23 waivers, the large majority of which had been because of response to the situation surrounding Covid-19. This was where permissible exceptions to the CPRs - 'A contract to be placed as an emergency solution only when the Director is able to demonstrate immediate risk to persons or property or serious disruption to Council Services' had been taken. All the waivers reported to the Committee had been approved by either the Monitoring Officer or the Chief Financial Officer.

Having read the report and been provided with any updates, the Committee were given the opportunity to ask any questions of Officers on issues where they required greater clarity. It was queried when it was thought that they would be considered to be out of this emergency situation and when a reduction in the figures presented to the Committee would start to show. Officers anticipated that whilst at the next Committee there would be further increases seen in the next report, after this point as they moved into the recovery stage, it was hoped that the figures would start to decrease. Members acknowledged that it was a reactive situation and the number of waivers was unavoidable in order to assist with the ongoing pandemic. Members did raise concerns that suppliers should not be profiteering out of the situation, and would it be possible to monitor this? Officers acknowledged the concerns and assured Members that they would be watching this closely to ensure this was addressed.

There were a number of concerns voiced in the course of the discussions all of which Officers provided clarity and greater assurance on, with the following points raised:-

- Implications of the post-Covid world and the ‘new normal’
- What lessons could be learned
- Any staffing issues that had arisen as a result of extra work

Members acknowledged that the Council was dealing with unprecedented circumstances and whilst it was unknown what the future would hold with regard to the pandemic, structures were in place to ensure that the issues that arose were dealt with in a timely and appropriate manner to ensure that services were delivered and maintained.

Members queried whether it would be beneficial to provide an update or training session to Officers in relevant areas in relation to the ongoing problems. Officers confirmed this was already an ongoing piece of work.

RESOLVED that:

- 1) The Audit Committee note the information contained within the report regarding breaches and waivers for the period; and
- 2) Members note the matters to date in relation to procurement and contracting activity linked to Covid-19.

50 Unaudited Statement of Accounts 2019/20.

Members considered a report that detailed the unaudited Statement of Accounts for 2019/20 and highlighted the overall financial position, an outline of the accounts closure timetable and information on performance.

Members noted that as a result of the ongoing Covid-19 pandemic the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 had given a delayed date for the publication of audit accounts for 2019/20 for all Local Authorities nationwide. This date now stood at the 30 November 2020, instead of the intended 31 July 2020. Whilst there was no requirement for the Council to present the unaudited accounts to the Committee, Doncaster had taken the decision to continue this practice for transparency and good practice.

It was reported that the Council’s accounts had been prepared and had now been placed on the Council’s website for public inspection for a period of six weeks from 8th July to 18th August, ahead of the prescribed deadline of 31st August which provided greater transparency. The accounts would also now be subject to external audit by the Council’s auditors, Grant Thornton, which had commenced on 6th July 2020, and it was anticipated that these would be signed off in time for the Committee’s October meeting .

One key point officers highlighted to the Committee was the £1.4 million underspend in 2019/20, which would now form part of the Council’s Reserves, as well as the loss of £37 million of assets as a result of more schools in the Borough converting to Academies. A final key point that Officers highlighted to Members was the inclusion of Doncaster Children’s Services Trust in the Group Accounts as a result of their transition to an Arms Length Management Organisation controlled by Doncaster Council.

Following consideration of the report, Members had the opportunity to raise any questions to Members.

The Committee commended the Financial Services Team for their completion of the accounts in a timely manner when placed under additional pressure. Whilst the impacts of the virus would continue for a considerable time, in terms of the accounts, the impact would be minimal. However, the effects of it on the Capital Programme could be greater as there could be ongoing restrictions as to what could be carried out and when.

Additional queries were raised in terms of what impact would be had on post balance sheets events, service delivery, and the possible rise in debtors as a result of Covid-19. Officers assured the Committee that all this would be kept under a watchful eye and any concerns would be reported back to the Committee. Members discussed a number of other wide-ranging issues and ensured that any concerns were met prior to approval of the recommendations within the report.

RESOLVED that the Audit Committee note the 2019/20 Statement of Accounts.

51 Audit Committee Prospectus, Terms of Reference and Work programme 2020/21.

The Audit Committee considered the Prospectus, Terms of Reference and Work Programme for 2020/2021. The Prospectus sets out the scope and standards of the Committee and shows how these and the Terms of Reference enable the Committee to comply with Local Government Audit Committee standards and the Council's requirements of the Committee as well as the expected outcomes from its work during the year.

The work programme was an important part of the Prospectus and demonstrated how the Committee fulfilled its terms of reference for the year. Areas covered were:

- Internal Audit
- External Audit
- Regulatory Framework
- Accounts
- Ethical Governance

There were a number of items contained within the work programme that had to be considered on a regular basis as well as area of training, briefings and any reactive work that was required.

Members had a brief discussion on the item but overall, they were happy with the content of the report and were assured that it was a live document that would be amended as and when needed, bringing along any new or emerging items if required.

RESOLVED that the Audit Committee agree the Prospectus setting out the Audit Committees scope, standards and work programme for the year and note the Terms of Reference, which currently remained unchanged.

52 Internal Audit Progress Report for the period: April 2020 to June 2020

Officers presented the Internal Audit report for the period April to June 2020, which updated the Committee on any work undertaken by Internal Audit. The period that this report covered was exceptional in that it covered unprecedented times and exceptional circumstances as a result of the ongoing Covid-19 Pandemic.

The Plan had originally been intended for consideration at the April Audit Committee but due to the emersion of the Covid-19 virus across the country, this had been cancelled and the plan had been amended accordingly and brought to June's Audit Committee. The progress report would be brought back to the Committee in October where Members may note more changes as a result of the impact of Covid on Audit work.

Members thanked officers for the concise and comprehensive report and acknowledged the difficulties that had been faced and the impact on the work of the team as a result which had been set out in the report.

Whilst the pandemic had resulted in a number of management actions from audit recommendations within the report being now overdue, Members appreciated that this was to be expected and officers reported they were working alongside other departments to ensure revised deadlines were met.

RESOLVED that:

- 1) The Audit Committee note the position of the Internal Audit Plan;
- 2) The internal audit work undertaken in the period be noted;
- 3) The position with regards to the implementation of previous Audit recommendations be noted; and
- 4) The Audit Committee note the information relating to Internal Audit's performance during the period.

53 Grant Thornton Audit Committee Progress Report and Sector Update

The Committee were presented with a progress report from Grant Thornton and the new Engagement Lead, Gareth Mills, took the opportunity to introduce himself to the Committee albeit virtually. He outlined that he had been working with Paul Dossett, the Council's previous lead and was up to speed with all issues to date.

Perminder Sethi, Engagement Senior Manager, Grant Thornton, was also in attendance and outlined to Members that whilst Covid had presented its challenges, they had been working on site remotely and they were mitigating the impact of it moving forward. They were scheduled to give their annual opinion at the meeting in October and would be meeting regularly with officers of the Council in the interim period to meet their deadlines.

Members questioned whether they foresaw any problems with the changes in timescales and how problematic the pandemic would be. Grant Thornton assured the Committee that they did not envisage any issues and were confident that the required timescales would be met.

RESOLVED that the Audit Progress report and sector update be noted.

CHAIR: _____

DATE: _____

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Doncaster Council

Report

19th October 2020

To the Chair and Members of the AUDIT COMMITTEE

AUDIT COMMITTEE ACTIONS LOG

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. All actions are progressing well. The action log shows detail relating to four actions requested in the July 2020, January 2020 and October 2019 meetings. There are no actions outstanding from earlier meetings. Of these:
 - One is complete and the remaining three are all in progress and will be cleared in the course of future meetings – none of these represent longer running issues.

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
 - Comment 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.

OPTIONS CONSIDERED AND RECOMMENDED OPTION

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

IMPACT ON THE COUNCIL'S KEY OUTCOMES

8.

	Outcomes	Implications
	<p>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 	

	<p>Doncaster Schools that are good or better</p> <ul style="list-style-type: none"> • 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 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 (SRF 30/09/20)

10. There are no specific legal implications associated with this report. Where necessary appropriate legal advice can be provided in relation to matters listed in the Appendix to this report.

FINANCIAL IMPLICATIONS [ST 02/10/20]

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

HUMAN RESOURCES IMPLICATIONS [KG 06/10/20]

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

TECHNOLOGY IMPLICATIONS [PW 06/10/20]

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

EQUALITY IMPLICATIONS [PJ 29/09/20]

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

HEALTH IMPLICATIONS [SH 01/10/20]

15. Good governance is important for healthy organisations and for healthy populations. Specific health implications should be addressed through individual audits and action plans.

CONSULTATION

16. 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

17. None

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

None

REPORT AUTHOR & CONTRIBUTORS

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Debbie Hogg
Director of Corporate Resources

AUDIT COMMITTEE ACTION LOG – OCTOBER 2020

Follow-up actions from previous meetings:-

Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
July 2020			
Unaudited Statement of Accounts Members requested further information on the Balance Sheet and specifically regarding Assets	Members to be provided with further information as part of committee training session before October's Audit Committee meeting.	Faye Tyas	Scheduled for 16 th October 2020
Internal Audit Progress Report – Food Standards – Lone Working Members queried an implementation date of 30/11/20 for this action to be put in place	Due to Covid, no officers are currently lone working. However, after the above was raised, the system was updated to ensure everyone was registered, and when lone working begins again, all will be reminded to use the system. An indicative date of 30/11/20 was anticipated however, this has been revised to 31/03/21 to ensure this has been completed and is being followed once normal working has recommenced.	Nasir Dad	Scheduled for 31/03/21

Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Meeting January 2020			
Adults, Health and Wellbeing - Contract and Commissioning Report Committee to receive an update report in January 2021, informing the Committee how the structure has been embedded and the further progress that has been made.	A report is scheduled for Wednesday 27 th January 2021 Audit Committee	Mark Wakefield	Scheduled 27 th January 2021 Audit Committee
Meeting October 2019			
Annual Fraud Report Staff to be reminded of the Whistleblowing arrangements in place	Revised policy is being considered at October 2020 Audit Committee. Reminders to be provided to staff upon release of revised policy	Helen Potts	In Progress – for completion by December 2020



Doncaster Council

19th October 2020.

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

UPDATE TO THE WHISTLEBLOWING POLICY

EXECUTIVE SUMMARY

1. To encourage employees, workers, service users, stakeholders and members of the public to report their concerns to the Council, particularly with regard to modern slavery, the Council have revised its whistleblowing policy.

RECOMMENDATIONS

2. The Audit Committee is asked to review and, as appropriate, make recommendations on the revised whistle-blowing report.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

3. The Council is committed to maintaining the highest standards of governance including the elimination of fraud and corruption and to ensuring that all activities are conducted ethically, honestly, openly and accountably so as to protect public safety and public money. In addition, the Council expects the highest standards of conduct and integrity from all that have dealings with it including staff, councillors, suppliers, partners, volunteers and the public. Policies and procedures are in place to outline the standards required and enable any person to raise genuine concerns they may have about the conduct of anybody acting for or on behalf of the Council. The whistle-blowing policy forms part of the Council's overall corporate governance framework.

BACKGROUND

4. The Monitoring Officer has overall responsibility for the maintenance and operation of the Whistleblowing Policy, which includes keeping a record of

all whistleblowing cases and presenting a summary of these to the Audit Committee on an annual basis. The Whistleblowing report was revised in July 2015 with the key changes :

5.1 The Policy applies to members of the public, stakeholders, and contractors as well as employees.

5.2 Whistle blowers were asked to report their concerns to specific senior officers rather than to their managers. This ensured that senior management were aware of any matters and that the correct processes were followed and reported to the Monitoring Officer for the annual report;

5.3 The Policy gives clearer guidance as to what was considered to be the sort of matter that amounted to whistleblowing allegations; with a factsheet and flow diagram had been drafted to assist people understand the policy.

5. Doncaster Council has signed up to the 'Charter Against Modern Slavery'. authorised at Cabinet on 30th June 2020. Part of the requirement of the Charter are that the Council have a Whistleblowing policy and procedures that details our commitment to stop modern slavery and we wish to and encourage reporting in this policy.

6. Councils from across the political spectrum have signed up to the Council Charter Against Modern Slavery; to ensure exploitation has no place in their supply chains. The Co-operative Party's Charter against Modern Slavery goes further than existing law and guidance, committing councils to proactively vetting their own supply chain to ensure no instances of modern slavery are taking place. In view of this the following has been included at 2.12 of the Whistleblowing Policy:

Modern Slavery

Modern slavery is the illegal exploitation of people for personal or commercial gain, often in conditions, which the victim cannot escape.

Doncaster Council is committed to ensuring that this exploitation does not occur in any of the Council's activities and that staff and the public have the opportunity to report suspicions to the appropriate place. Staff or members of the public who suspect that modern slavery or human trafficking may be happening through any of the council's activities, particularly in service delivery via third parties, should contact one of the officers listed in section 7. More information and advice can be found on the government's website on modern slavery: <https://www.gov.uk/government/collections/modern-slavery>

7. The Council also want to encourage whistle-blowers to speak up. Where they wish to remain anonymous, it can be difficult to investigate matters without requesting further detail or information. Therefore paragraph 5.3 has been added in requesting an anonymous form of contact be provided. *. 'If you do wish to remain anonymous we will respect your wishes but it would useful if you could provide us with a means of contact that does not reveal your identity that would allow us to obtain further information. '*

8.. A whistleblowing human resources course is available on the training portal. Following approval of this revised policy, the Monitoring Officer will send a reminder to staff with regard to the policy and the process if they do wish to raise concerns.

OPTIONS CONSIDERED

9. To amend the policy in accordance with our commitments to fight modern slavery and to allow us to investigate anonymous complaints.
10. To not update the whistleblowing policy.

REASONS FOR RECOMMENDED OPTION

11. To demonstrate and implement policies and practices that could prevent modern slavery through the Council's supply chains.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

12.

	Outcomes	Implications
	<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 work undertaken by the Audit Committee helps to ensure openness, transparency and probity in the way that the Council conducts its business. This, in turn, helps to increase the public's confidence in local governance and in the high ethical standards of their local representatives.</p>
;	<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>	<p>Signing up to the Charter commits the council to take more rigorous steps in ensuring there is no modern slavery through its supply chains. This protects the staff of suppliers that the Council contract with.</p>

RISKS AND ASSUMPTIONS

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

LEGAL IMPLICATIONS [Officer Initials HP..... Date...29.9.20..]

14. The Modern Slavery Act 2015 places certain legal duties upon public and private organisations. The charter goes beyond legal requirements but does require that the Council has a whistleblowing system that enables staff to blow the whistle on any suspected examples of modern slavery.

FINANCIAL IMPLICATIONS [Officer Initials PH Date 28/09/2020]

15. There are no direct financial implications arising from this report.

HEALTH IMPLICATIONS [Officer Initials...RS..Date ...23/09/2020]

16. Whistleblowing is a key contribution to effective governance and good governance is a contributor to good health and wellbeing. This policy recognises the importance of addressing harassment and modern slavery and so will contribute to good health and wellbeing

HUMAN RESOURCES IMPLICATIONS [Officer Initials KG Date: 29.09.20..]

17. Along with a module on Whistleblowing, there is an additional module on Modern Slavery and Human Trafficking. Managers should be made aware of the addition to the whistleblowing policy and ensure that their teams are also aware of this and the training available.

EQUALITY IMPLICATIONS [Officer Initials...HP..... Date...29.9.20.....]

18. The adoption of the Charter and its reference in the whistleblowing policy will ensure higher standards in relation to tackling the issues faced by certain sectors of society with regards to modern slavery.

BACKGROUND PAPERS

19. Local Government Association (LGA) guide on how councils can tackle modern slavery. (<https://www.local.gov.uk/modern-slavery-council-guide>)

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

20. Local Government Association (LGA)

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WHISTLEBLOWING POLICY



Doncaster
Metropolitan Borough Council

WHISTLE-BLOWING POLICY

1. Introduction

- 1.1 Doncaster Council is committed to the highest possible standards of openness, probity and accountability. We expect that elected members and officers at all levels will protect the Council and its resources and lead by example, ensuring high standards of personal conduct and adherence to the Council's policies, procedures and rules.
- 1.2 In line with this commitment, we encourage employees, workers, elected members, school governors, partners, service users and citizens with any concerns about any aspect of the Council's work to come forward and voice those concerns.
- 1.3 Decisions as to whether to raise your concerns can often be a difficult decision to make. This policy outlines the whistleblowing process for all parties.
- 1.4 We will take all appropriate measures to protect both clients, including children and vulnerable people, and public funds and to reduce the risk of an irregularity occurring from either internal or external sources. Whenever an irregularity of any description is detected it will be investigated and prosecution, disciplinary and recovery action will be taken as appropriate. The action we take will be influenced by the irregularity or concern raised.

2. Our aims

- 2.1 This Whistle-blowing Policy is intended to encourage and enable you to raise any concerns within the Council, without fear of reprisals, rather than overlooking a problem or blowing the whistle outside.
- 2.2 Whilst the term "whistle-blower" usually refers to an employee, we intend this policy to be used by anyone wishing to raise a concern.
- 2.3 This policy aims to:
 - Provide avenues for you to raise concerns and receive appropriate feedback on any action taken.
 - Allow you to take the matter further if you are dissatisfied with the Council's response.and
 - Reassure you that you will be protected from possible reprisals or victimisation for whistle blowing providing that you have a reasonable belief that you have made a disclosure in the public interest. (Please note that the Public Interest Disclosure Act 1998 allows for specific protection for employees and workers that whistle-blow. Whilst this act does not extend to other parties, we aim to reassure all those who raise concerns that we take reprisals and victimisation extremely seriously).

What concerns are covered?

2.4 Whistle-Blower or Complainant?

2.5 Whistleblowing is basically the act of reporting concerns of wrong-doing so that they may be investigated and acted upon. The term whistle-blower is typically reserved for employees that whistle blow about actual or suspected wrong-doing within their own organisation. This policy covers however, is intended to cover employees, elected members, partners, customers or citizens. A whistle blow however, is not the same as a complaint.

2.6 A way to establish whether an individual raising a concern is a 'whistle-blower' or a 'complainant' is to consider the nature of the concern.

- If the concern is about wrong doing and affects others, e.g. the general public and not just 1 individual, family or household, then you are likely to be a whistle-blower
- If the concern affects only yourself, your family or household and is not about wrong doing, then you are likely to be a complainant

2.7 This whistle-blowing policy is intended to cover concerns and malpractice that fall outside the scope of other procedures such as something that –

- Is unlawful; or
- Is against the Council's Constitution or policies; or
- Falls below established standards or practice; or
- Amounts to improper conduct.

2.8 Examples of concerns and malpractice in this context may include:

- **Corruption or Bribery** - including offering or accepting a reward for performing or failing to perform an act which leads to a gain for the person offering the bribe.

E.g. the offering or acceptance, by any Council official or representative, of any incentive for them to do something that they should not such as make a decision contrary to policies or procedures, disclose information that they should not or provide or deny services contrary to policies or entitlements.

- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possessions or their use.

E.g. the theft of asset / goods / stocks, misuse grants and public funds for purposes other than they were made available or theft of cash or equipment.

- **Fraud** – fraud is an act of deception intended for personal gain or to cause a loss to another party. The general criminal offence of fraud can include:
 - deception whereby someone knowingly makes false representation in order to gain an advantage (this can include the intentional distortion of financial statements to conceal losses, mis-represent performance or conceal the misappropriation of assets)
 - or they fail to disclose information for their own advantage
 - or they abuse a position of trust for their own advantage

E.g the dishonest completion of claim forms such as benefits or grants claims in order to secure a grant or benefits to which someone is not entitled. Dishonest completion of expenses claims or mileage claims, abuse of Council services for personal use, dishonest awards of contracts to family or friends, dishonest manipulation of performance information or targets to award pay increments or other incentives etc

- **Failure to observe, and breaches of, the law and statutory responsibilities** including;

- Dangerous procedures risking health and safety to the public and/or employees,
- Damage or the risk of damage to the environment by inappropriate, dishonest or negligent acts
- Abuse or bullying of clients including children and vulnerable people,
- Abuse of or a failure to properly protect children and vulnerable people by Council officers or members either through their action or inaction
- Failure to observe, or breaches of The Constitution, Scheme of Delegation, Contract Procedure Rules and Financial Procedure Rules or other policies
- Inappropriate use of council assets such as vehicles, machinery, computers or software licenses

2.9 Whilst the above examples are not exhaustive, it is clearly in the interest of all parties to identify any instances of these acts, deal with those responsible and take appropriate steps to prevent (where possible), such things from happening again. Whistleblowing concerns are always serious issues and will be treated as such.

2.10 **Examples of complaints and issues that fall outside of the whistleblowing policy are:**

- Employee grievances such as bullying or harassment
- Disputes over pay, bills, tenancies, leases etc (except where there are suspicions of wrong-doing)
- Dissatisfaction with a local or government policy
- Dissatisfaction with the quality or level of service received from the Council (except where it there are suspicions of wrong-doing)
- Dissatisfaction with a Council decision (except where there are suspicions of wrong-doing)

There are existing procedures in place to enable service users to complain through the

Council's Complaints Procedure

<http://www.doncaster.gov.uk/talktous/complaintsandcompliments/index.aspx>

The Grievance Policy / Procedure

This policy is for employees wishing to lodge a grievance relating to their own employment (Please note that this link will only work for employees accessing this information from the

Council's intranet site. A copy of this policy is available from Human Resources or from your line manager if you cannot access this system)

<http://intranet.doncaster.gov.uk/directorates/finance-corporate-services/grievance>

2.11 **Dignity At Work Policy (Bullying and Harassment)**

This policy is for employees wishing to report bullying or harassment at work. (Please note that this link will only work for employees accessing this information from the Council's intranet site. A copy of this policy is available from Human Resources or from your line manager if you cannot access this system.)

<http://intranet.doncaster.gov.uk/directorates/finance-corporate-services/dignity-at-work>

- 2.12 **Modern Slavery** Modern slavery is the illegal exploitation of people for personal or commercial gain, often in conditions, which the victim cannot escape. Doncaster Council is committed to ensuring that this exploitation does not occur in any of the Council's activities and that staff and the public have the opportunity to report suspicions to the appropriate place. Staff or members of the public who suspect that modern slavery or human trafficking may be happening through any of the council's activities, particularly in service delivery via third parties, should contact one of the officers listed in section 7. More information and advice can be found on the government's website on modern slavery: <https://www.gov.uk/government/collections/modern-slavery>

3. **Employee/Worker protection**

- 3.1 Employees are often the first to realise that there may be something wrong within the Council. However, they may decide not to express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice. This policy makes it clear that staff can report concerns without fear of reprisal. This policy is intended to encourage and enable staff to raise serious concerns within the council rather than overlooking a problem or blowing the whistle outside.
- 3.2 The Council's policy is reinforced by the Public Interest Disclosure Act 1998 and provides statutory protection to employees and workers making disclosures. Protections are afforded to employees and workers where they report a concern provided that they reasonably believe their claim is in the public interest. Employees and workers should not make a false or malicious allegation and not seek to gain personally from raising the concern. Action may be taken against those individuals that do.

4. **Safeguards – Harassment and Victimisation**

- 4.1 The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The Council will not tolerate harassment or victimisation and will take action to protect you when you raise a concern in good faith.

5. **Anonymous Allegations & Confidentiality**

- 5.1 Any concerns you raise will be treated seriously and confidentially and investigated as appropriate. During our investigations, we will treat any information you give us confidentially. However, whilst we endeavour to protect you, we also need to ensure that we fairly investigate the concern. This may mean that some of the details passed to us need to be passed on to the person being investigated in the interests of a fair investigation / hearing. In these instances, we may not be able to investigate your concerns without revealing some of the details you give us.
- 5.2 We will take all steps possible to protect your identity and confidentiality, where it is not possible to investigate the concerns without compromising this, we will discuss this with you first. If you request to remain anonymous, all efforts will be made to ensure this is respected and if at all possible, the Council, if requested, will not reveal its source.
- 5.3 We recognise that, despite any protections in place, you may want to raise your concerns anonymously. We strongly recommend that you include your name and contact details in any concerns raised. Concerns raised anonymously can be harder to investigate and without your details, it is impossible to ask you for further clarity or information. If you do wish to remain anonymous we will respect your wishes but it would be useful if you could provide us with a means of contact that does not reveal your identity that would allow us to obtain further information.
- 5.4 Any concerns raised anonymously will still be considered, but it may not be possible in all cases to investigate them.
- 5.5 The factors to be taken into account in determining whether to proceed with an anonymous allegation would include –
- The seriousness of the issues raised;
 - The credibility of the concern; and
 - The likelihood of confirming the allegation from attributable sources without your information / statements.

6. Untrue Allegations

- 6.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you.
- 6.2 If, however, you make malicious or vexatious allegations, legal or disciplinary action may be taken against you.

7. How to raise a concern

- 7.1 This depends on the nature of the concern and the seriousness and sensitivity of the issues involved and who it is thought to be involved in the malpractice. Whistleblowing is always a serious matter and whistleblowing routes should only be used to raise serious concerns. Please see section 3.4 for further information on the serious issues that should be raised under this policy.
- 7.2 Concerns are best raised as early as possible. The earlier you raise a concern, the easier it is to investigate and take action on. Early whistleblowing minimises the impact on the Council and its stakeholders.

- 7.3 Although you are not expected to prove the truth of an allegation, you will need to demonstrate to the person contacted that there are sufficient grounds for your concern. We request that you do not investigate the concern yourself in any way as this can sometimes compromise any evidence that we need to examine in order to investigate and take appropriate action on any concerns.
- 7.4 Please use the details below to contact us about your concern. Please note that you may invite your trade union, professional association or representative to assist you in raising a concern.

Emergencies

If the concern relates to an immediate endangerment to life or to suspected terrorism you should contact the police by telephone on 999.

- 7.5 **Employee whistleblowing** should be raised within the Council with either;
- The Monitoring Officer, Scott Fawcus TheMonitoringOfficer@doncaster.gov.uk.
 - Head of Internal Audit, Peter Jackson
 - Director of Corporate Resources, Debbie Hogg
 - The Assistant Director of Financial services, Faye Tyas
 - The Assistant Director of Human Resources, Communications and Executive Office, Jill Parker; or
 - The Chief Executive, Damien Allen
- 7.6 Any concerns in writing should include as much detail as you are able to provide. Where possible, please set out the background and history of the concern, giving names, dates and places where possible, and the reason why you are particularly concerned about the situation. The more information you provide us with, the better we are able to assess your concerns and determine the right course of action.
- 7.7 If you do not feel able to put your concern in writing, you can telephone or email any of the officers above, or email: TheMonitoringOfficer@doncaster.gov.uk. You do not have to give your name if you do not want to
- 7.8 The Council is keen to encourage employees to raise concerns and an employee may speak in confidence to a whistleblowing support officer located in Human Resources (who will be allocated on request from the Assistant Director of Human Resources, Communications and Executive Office) who can provide advice and support, independent from any investigation or process.
- 7.9 **Elected members, school governors, service users, partners and citizens**
- 8.10 Concerns should be raised with either the Monitoring Officer, Head of Internal Audit, Director of Corporate Resources, or Chief Executive.

This can be by letter to:
Civic Office,
Waterdale,

DN1 3BU,

Telephone (01302 736000) or by email.

- 8.11 Advice and guidance on how matters of concern may be pursued can be obtained from the same sources.

8. Concerns about safeguarding and the protection of vulnerable adults or children.

- 8.1 The Council takes seriously its responsibilities regarding the safeguarding of vulnerable adults and children. Any concerns relating to safeguard issues are likely to be dealt with via other policies and procedures.
- 8.2 Safeguarding concerns regarding children are dealt with by the Doncaster Children's Trust. Any concerns raised regarding children's safeguarding will be shared with the Children's Trust and may be investigated by the Trust rather than the Council.
- 8.3 If you have concerns regarding abuse to vulnerable adults or children you may also contact the Safeguarding Adult and Children teams rather than using this policy. Information on raising such concerns has been linked to below.

Adults –

<http://www.doncaster.gov.uk/services/adult-social-care/safeguarding-adults-contents-page>

Children –

<http://www.doncasterchildrenstrust.co.uk/reporting-concerns-about-a-child>

9. How the Council will respond

- 9.1 The action taken by the Council will depend on the nature of the concern. The matters raised may :
- Be investigated internally (you will be advised if it is considered that the matter falls within the grievance or complaints or another procedure - the decision whether it falls outside of the whistleblowing procedure will be done in consultation with the Monitoring Officer and Assistant Director of Human Resources, Communications and Executive Office).
 - Be referred to the Police
 - Be referred to the external Auditor
 - Form the subject of an independent inquiry
- 9.2 Where a concern is about fraud, theft, bribery or corruption, Internal Audit Services will be notified and involved / consulted in any subsequent investigation. Internal Audit are required by professional standards to maintain a register of any such concerns and the results of any investigations into them.
- 9.3 In order to protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take and who should

undertake it. Concerns or allegations that fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.

- 9.4 Some concerns may be resolved by agreed action without the need for investigation.
- 9.5 Providing that you have given us contact details, we will write to you within 20 working days :-
- Acknowledging that the concern has been received
 - Indicating how we proposes to deal with the matter
 - Giving an estimate of how long it will take to provide a final response
 - Telling you whether any initial enquiries have been made, and
 - Telling you whether further investigations will take place, and if not, why not.
- 9.6 The amount of contact between those considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information originally provided. If necessary, further information / clarification will be sought from you.
- 9.7 When any meeting is arranged, you have the right, if you so wish, to be accompanied by a union or professional association representative or a representative who is not involved in the area of work to which the concern relates.
- 9.8 It is important for you, the whistle-blower, that concerns are properly reviewed and addressed. Whilst we must comply with relevant legislation including the Data Protection Act, we will keep you informed as to the outcome of any investigation. Please be aware that specific personal information relating to individuals cannot be released. This will include details of any action taken against individuals.

10. How the Matter can be Taken Further

- 10.1 This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points :
- An elected Member of the Council
 - KPMG, The Council's external auditor
 - Relevant professional bodies or regulatory organisations
 - Your solicitor
 - The Police
 - Public Concern at Work
 - Trade Union/Professional Association
 - The Local Government Ombudsman
- 10.2 If you do take the matter outside the Council, you need to ensure that you do not disclose information that is privileged or confidential to the Council and if you are an employee, do not breach your obligations under the Council's Code of Conduct for Employees. Whilst all of the code is important, paragraph 15 - 15.2 concerning contact with the press and media is particularly relevant.

Excerpt from the Code of Conduct for Employees - Contact with the Press and Media

15.1 The Council has a Head of Communications whose role is to deal with the press and media and offer advice and guidance to Directorates in the preparation of information

and publicity for their services.

15.2 Unless specifically nominated and authorised by the Chief Executive or the Chief Officer of the Department concerned, employees are not permitted to give reports or speak to the press and media on matters relating to employment with the Council, Council business or decisions of the Council. Employees with this responsibility should guard themselves against declaring a view which is contrary to a position taken by the Council and which may be deemed to be critical of that decision.

- 10.3 To view the Code of Conduct for Employees click the following link (please note that this is only available to employees with access to the Council's intranet site. If you do not have access to this site, please contact your line manager for a copy of this code).-

<http://intranet.doncaster.gov.uk/directorates/finance-corporate-services/code-of-conduct-policy-procedure>

11. Officer Responsibility and Reporting to Monitoring Officer

- 11.1 The Responsible Officer, who is the Monitoring Officer, has overall responsibility for the maintenance and operation of this policy.
- 11.2 If a whistleblowing complaint is made to any officer other than the Monitoring Officer, they must provide the details on the Whistleblowing report form as soon as possible after the complaint has been made. Once the issue / concern has been dealt with they must inform the Monitoring Officer of the outcome.
- 11.3 If an officer considers a whistleblowing complaint falls outside of the whistleblowing procedure this decision must be taken in consultation with the Monitoring Officer and Assistant Director of Human Resources and Communications.
- 11.4 The Officer investigating the whistleblowing concern may contact the Monitoring Officer who will allocate a suitable officer to provide support and guidance on the process.
- 11.5 The Monitoring Officer will maintain a record of concerns raised and action taken in a form which does not endanger confidentiality and will report as necessary to the Council.
- 11.6 Where a concern is about fraud, theft, bribery or corruption, Internal Audit Services will be notified and involved / consulted in any subsequent investigation. Internal Audit is required by professional standards to maintain a register of any such concerns and the results of any investigations into them.

12. Evaluation

- 12.1 The success of this policy may be assessed by:
- The number of reported incidents of malpractice
 - Monitoring whether individuals feel able to report occurrences without fear or favour

12.2 The Monitoring Officer presents an annual report to the Audit Committee detailing the whistleblowing complaints received in the year. A report is also produced by Internal Audit Services for the Audit Committee that details identified frauds and other corrupt activities uncovered. These reports can be accessed on the Council Chamber element of the website www.doncaster.gov.uk

13. Other related policies and procedures

- Anti-Fraud, Bribery and Corruption Framework
- Complaints Procedure
- Employee Code of Conduct
- Grievance Policy and Procedure
- Harassment and Bullying Policy and Procedure
- Members Code of Conduct

14. Communications and Publicity

14.1 Training on and awareness of this policy, for all employees, will be through one or more methods e.g. the Council's induction process, fraud awareness training, whistleblowing e-learning module, literature and team briefings.

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Doncaster Council

Report

19th October 2020

To the Chair and Members of the
AUDIT COMMITTEE

BREACHES AND WAIVERS TO THE COUNCIL'S CONTRACT PROCEDURE RULES

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		No

EXECUTIVE SUMMARY

1. This report provides Members with details of all the waivers and breaches to the Contract Procedure Rules (CPR's) for the 2 month period **1st July 2020** to the **31st August 2020**.
2. This report covers a shorter period than is usual due to the report presented to the Audit Committee in July 2020 which was by exception and gave an overview in relation to contracting, procurement and governance activity over the COVID-19 situation.
3. The table below summarises the number of new waivers and breaches recorded for each Directorate since the last audit report presented in **July 2020**. The details of each waiver and breach are summarised in the appendices to this report.

Directorate	1 st Jul 20 to 31 st Aug 20 (2 months)		1 st Mar 20 to 30 th Jun 20 (4 months)		1 st Sept 19 to 29 th Feb 20 (6 months)	
	Breaches	Waivers	Breaches	Waivers	Breaches	Waivers
AHW	0	4	0	8	0	5
LOCYP	0	0	0	0	0	2
CR	0	2	0	7	1	2
E&E	0	2	0	8	1	1
GRAND TOTAL	0	8	0	23	2	10

EXEMPT REPORT

- This report is not exempt.

RECOMMENDATIONS

- To note the information and actions contained in this report regarding waivers and breaches in relation to the CPR's.
- To note any new procurement and contracting activity matters linked to COVID-19.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

- There are no specific implications within this report.

BACKGROUND

- The Monitoring Officer (MO) monitored compliance with the CPR's for the period covered by this report.
- The Head of Procurement and the team are still involved in COVID-19 related activity and continue to ensure correct governance where necessary.

CONTRACT PROCEDURE RULES (CPR'S)

- The Council's CPR's state the following thresholds where commensurate competition should be undertaken by officers to ensure value for money:-
 - Up to £25,000** - use of an in-house supplier, Council wide contract, third party framework agreement or direct award where possible to a Doncaster based organisation.
 - Between £25,000 and £189,330** – use of an in-house supplier, Council wide contract, third party framework agreement or obtain three formal quotes one of which should be from a Doncaster based organisation.
 - Between £189,330 and £663,540 (Light Touch Regime (LTR) Services) or £4,733,252 (works)** - use of an in-house supplier, Council wide contract, third party framework agreement or obtain a minimum of three

tenders one of which should be from a Doncaster based organisation

- **Over £189,330 (Goods/Services) or £663,540 (LTR Services) or £4,733,252 (Works)** - use of an in-house supplier, council wide contract, third party framework agreement or carry out a public contract regulations compliant tender process.

11. It is therefore important that steps are taken to ensure breaches are identified, investigated and plans quickly put in place to rectify the position.
12. There have been **zero** new breaches, as well as updates on **four** existing unresolved breaches and **zero** resolved breaches.
13. **Appendix 1** shows the details of the new, unresolved and resolved breaches for this period.
14. Whilst the EU thresholds are set within the legislation and, therefore, cannot be waived, it is recognised that from time to time discretionary thresholds within the 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 Monitoring Officer or Chief Financial Officer (CFO), in accordance with the following permissible exemptions.

Category	Description
1	Where the Director is able to demonstrate that only one specialist firm is able to meet the requirement
2	A contract to be placed as an emergency solution only where the Director is able to demonstrate immediate risk to persons or property or serious disruption to Council Services
3	To allow for the safe exit from a contract or to decommission
4	Forms part of a wider strategic programme of works

Breaches to CPR's

15. Breaches arise from either the aggregation of spend 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.

Update to Breaches previously reported

16. In **July 2020**, there were **zero** new breaches of the CPR's reported to Audit Committee as well as updates on **four** existing unresolved breaches and **one** resolved breach.

Waivers to CPR's

17. **Eight** waivers to CPR's have been approved for this 2 month period, which has decreased but is still high for the time frame but much less compared to the **twenty-three** reported in July 2020 for the 4 months initial COVID-19 period. There were **ten** reported in February 2020 and this was for a 6 months period. The percentage of waivers granted against the amount of contracts awarded for this period is shown in **Appendix 3**.
18. The waivers detailed in this report have been reviewed and agreed either by the MO or the CFO (for waivers linked to the Legal and Democratic Services Department).
19. The waivers granted, as shown in **Appendix 2**, continue to be heavily reliant on category 2 of the permissible exemptions to the CPR's which is '*A contract to be placed as an emergency solution only where the Director is able to demonstrate immediate risk to persons or property or serious disruption to Council Services*'.

REVIEW OF PROCUREMENT ARRANGEMENTS ABOVE £25,000

20. SPT (Strategic Procurement Team) continue to work closely with all Directorates to improve procurement practices and provide assurance that arrangements are robust and compliant with the CPR's. Where waivers and breaches are identified, they are recorded and added to the SPT Category Plan and actions agreed and monitored.
21. SPT operate a spend analysis system to track all transactions that go to providers. This system can pick up where spend is not linked to contracted spend and this is reported to each Directorates senior management teams.
22. A structured CPR Training Programme has been delivered to officers across the authority. This is designed to increase awareness on best practice procurement and required governance when officers contract on behalf of the council. This training has been drafted onto the Council's E Learn platform and is set to be launched.

COVID-19 Related Activity

23. SPT continue to lead of the sourcing of PPE through the regional collaborative agreement with the other South Yorkshire Local Authorities. The Head of Procurement represents the Council on the monthly Local Resilience Forum (LRF) meetings to ensure the Council mitigate any further risks associated with the lack of PPE nationally and coordinate the distribution of central government stocks.
24. The Council have had communication from the Department for Health and Social Care (DHSC) that free stocks will be made available to the Council and to not enter into further contractual agreements. The DHSC are still to advise on dates, quantities, type of products and distribution methodologies.
25. The Cabinet Office released Procurement Policy Note (PPN) 04/2020 in June

2020 titled 'Recovery and Transition from COVID-19'. This note was a follow on to PPN 02/2020 and is an advisory note to public bodies on dealing with their supply chains up to the 31st October 2020. This note was distributed across the Council with a practical guidance note for Council Officers in working with their providers and any continued issues that may exist. This has been implemented across the Council on a contract by contract basis to the extent that some contracts may be exited from. The Council has continued to pay providers immediately as opposed to the usual 30 days payment terms, to try and help provider's cash flow. This is a changeable situation and the Council continue to monitor, relay and implement any necessary actions.

OPTIONS CONSIDERED

26. Each waiver is examined through the robust waiver process and, where appropriate, challenged for alternative options prior to approval. Each waiver is approved by the Head of Procurement for escalation for authorisation by the MO or CFO.

REASONS FOR RECOMMENDED OPTION

27. It is important that the Council's CPR's are adhered to. Where breaches are identified, a corrective plan is formed and monitored by a SPT Officer in liaison with the service area.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

28.

	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 CPR's state that quotations/tenders should be sought from at least one Doncaster based company. This is to encourage local spend where possible. SPT work closely with Business Doncaster.</p> <p>The Supplier Relief Scheme, that was part of the Council's response to COVID-19, has been designed to sustain businesses that the Council contract with, many being Doncaster based.</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 	<p>Effective procurement governance ensures best value is achieved from the budgets available.</p>

	<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>SPT continuing to manage the PPE supply in response to COVID-19 has insured that the citizens of Doncaster are protected.</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>Social value is considered in contracting activity. The CPRs state that for any procurement project above £189,330 must have a minimum of 10% weighting factored into the overall evaluation award criteria.</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 home 	<p>Effective procurement mitigates the risks posed by contracting and ensures robust contracts.</p> <p>SPT continue to work across the authority and regionally to ensure adequate availability of PPE and continue to do so.</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>Effective procurement ensures best value, effective partnership working and robust specifications to attain the best from the markets.</p> <p>SPT continue to drive adherence to governance.</p>

RISKS AND ASSUMPTIONS

29. Contractual arrangements with suppliers and breaches to the CPR's expose the Council to reputational, financial, legal and commercial risks. Compliance monitoring of the CPR's seek to counter these risks.

30. The risks to the Council have been mitigated by ensuring additional governance has been put in place and facilitated throughout the COVID-19

pandemic.

31. There is a need for the Council to continually review and monitor the COVID-19 impacts on the authority from a contracting perspective to ensure continued adherence to the governance. Failure to do so could result in bad practices. The Council is currently in recovery phase and the full extent of the evolving situation on contracting will not be fully known until this is over.

LEGAL IMPLICATIONS [Officer Initials...NJD... Date.....24/09/20.....]

32. 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 to the Service areas in relation to these matters. It is accepted that many of the waivers detailed in the appendices are as a result of the current Covid-19 pandemic. Action should be taken to regularize these matters as soon as possible in order that the Council may compliance with its obligations under procurement regulations

FINANCIAL IMPLICATIONS [Officer Initials...AT..... Date...23/09/20.....]

33. 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 Date 22/09/20.....]

34. There are no specific HR implications arising from this report.

TECHNOLOGY IMPLICATIONS [Officer Initials... PW Date 22/09/20.....]

35. There are no specific technology implications in relation to this report. Corporate Procurement continues to consult with ICT in relation to breaches and CPR waivers involving the procurement of technology to ensure that the Technology Governance Board (TGB) has considered these, where applicable.

HEALTH IMPLICATIONS [Officer Initials... RSDate ...21/09/20.....]

36. 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 20/09/19]

37. There are no direct equality implications associated with this report and a Due Regards Statement is not required.

CONSULTATION

38. There has been consultation with the various directorates and applicable officers.

BACKGROUND PAPERS

39. None.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

Contract Procedure Rules (CPR's)
Chief Financial Officer (CFO)
Monitoring Officer (MO)
Strategic Procurement Team (SPT)
Light Touch Regime (LTR)
EU (European Union)
Learning & Opportunities: Children & Young People (LOCYP)
Adults, Health & Wellbeing (AH&W)
Economy & Environment (E&E)
Corporate Resources (CR)
Public Procurement Note (PPN)
Strategic Procurement Team (SPT)
Purchase to Pay Team (P2P)
Information Communications Team (ICT)
Technology Governance Board (TGB)

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Monitoring Officer
& Assistant Director of Legal & Democratic Services

BREACHES

Appendix 1 details the:

- **New** CPR breaches that have been identified between the **1st July 2020 to the 31st August 2020**;
- **Unresolved** breaches, reported to the Audit Committee previously and;
- **Resolved** breaches reported previously

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

No.	Directorate	Status New Unresolved Resolved	Date Reported to Audit Committee	Contract Description	Annual Value	Reason for breach	Proposed action to be / has been taken in relation to the breach	Timescale for resolution
1.0	AHW	Unresolved	Apr 17	YMCA Goodall House	£170,000	Contract expired.	<p>Sept 2020 Note – agreed exit strategy, ODR signed for the contract to run up to the 31st Mar 2022. This will remain breach until the contract ceases.</p> <p>June 2020 Note – agreed exit strategy through liaison with legal, procurement and provider. Tapered funding arrangement to minimise service disruption to young people coinciding with an alternative funding model secured by the provider. ODR drafted and submission being progressed.</p> <p>March 20 Note Service included in the review of the Homelessness Strategy approved by Cabinet on 5th Nov 19. Awaiting service area decision end Sept 20.</p> <p>Oct 19 Note - Decision over the future of the service put on hold until the approval of the Homelessness and Rough Sleeping Strategy presented at cabinet on the 5th Nov 19 The service will be considered as a part of the overall commissioning plan for the implementation of the Strategy.</p> <p>Apr 19 Note - report written but still to be agreed - recommendation to decommission the contract – if agreed in Apr 19 then contract will require 6 months exit strategy period.</p> <p>Oct 18 Note - Review and potentially redesign.</p>	<p>March 2022</p> <p>Subject to Cabinet Report 5th Nov 19</p> <p>Revised: Sept 19</p> <p>Mar 19</p>

No.	Directorate	Status New Unresolved Resolved	Date Reported to Audit Committee	Contract Description	Annual Value	Reason for breach	Proposed action to be / has been taken in relation to the breach	Timescale for resolution
2.0	E&E	Unresolved	Apr 19	Glass and Glazing supplier for the supply & install of doors, windows and board ups	£102,000	Area unaware of the scope of the corporate contract for the 'Building Materials and Associated Products' and that it does not cover their requirements and have been using it for that supply. No contract.	<p>Sept 20 Note – Following COVID-19 SPT are working with the service area on procurement exercise. Due to award Jan 21</p> <p>June 20 Note – Delayed due to COVID-19. New award date Jan 21.</p> <p>Mar 20 Note – Procurement are currently drafting specification with a view to award June 20</p> <p>Oct 19 Note - SPT are working with the Service Area on completing a tender. Procurement exercise to be completed.</p>	Revised Jan 21 Jun 20 Apr 20
2.1	E&E	Unresolved	Oct 19	Provision of Flags, Kerbs, Edgings and Highway Products	£108,000	Continuation of purchase following contract expiry	<p>Sept 20 Note – Following COVID-19 SPT are working with Service area on procurement exercise. Due to award Jan 21</p> <p>June 20 Note – Delayed due to COVID 19. New award date Jan 21.</p> <p>Mar 20 Note – Due to run a further completion using Barnsley Council's Framework with a view to awarding July 20.</p> <p>Oct 19 Note - SPT are working with the Service Area on completing a compliant procurement process.</p>	Revised: Jan 21 Jul 20 Dec 19
2.2	E&E	Unresolved	Apr 20	Autocad Software Licences	£32,000	CPR waiver rejected Continuation of service for a further one year following contract expiry	<p>Sept 20 Note – Following COVID-19 SPT are working with Service area on procurement exercise. Due to award Jan 21</p> <p>June 20 Note – Procurement exercise slightly delayed due to COVID19 but aim to award in Nov 20 still.</p> <p>Mar 20 Note - CPR waiver declined. Project to commence April 2020 to seek competitive quotes for a longer-term agreement.</p>	Jan 21 Nov 20

WAIVERS

Appendix 2 details the CPR waivers that have been agreed covering the period 1st July 2020 to the 31st August 2020, together with an 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).

No.	Directorate	Title	Waiver Value (£)	Waiver Period Start Date	Waiver Period End Date	Waiver Category	Reason for the Waiver (brief description)
1.0	AHW	Carers Reach Out Service	£90,000	01/04/2021	31/03/2022	2. Emergency Situation	The COVID-19 pandemic has resulted in unprecedented pressures on providers of local government services. Anticipated recovery phase of 6-12 months. To conduct a procurement exercise during the public health crisis, with the expectation that providers will be mobilised for a contract start date of 1 April 2021, is unfeasible at this time.
1.1	AHW	Community Integrated Equipment Service	£4,200,000	06/09/2021	05/09/2022	2. Emergency Situation	The commissioning work needed to be undertaken within a planned timescale due to the complexity of the service to mobilise for a start date of 6 September 2021 cannot be completed as there was no Occupational Therapy staff capacity to carry out this work, a successful Better Care Fund application on the 18 March 2020 secured funding for two years to fund a Partnership Manager post who will conduct the work but recruitment has been delayed due to COVID-19.
1.2	AHW	SLA Online - traded services software	£22,430	01/08/2020	31/07/2021	2. Emergency Situation	Due to the contract coming to an end it was the services intention to conduct a full procurement exercise for the platform. However, since March the team have been occupied working on COVID-19 related activities (i.e. arrangement of PPE to schools/early years, health and safety infection training, signage for re-opening).
1.3	AHW	Strategic Advisory and Development Support for Locality Working Reform Project	£35,100	01/07/2020	31/10/2020	2. Emergency Situation	The COVID-19 pandemic has resulted in unprecedented pressures on providers of local government services as well as partner services. We are now moving into the recovery phase as well as management of emergency outbreaks and to exit from the current contract would be unsafe and could jeopardise the strategic locality planning work. To conduct a procurement exercise and expect new providers to be mobilised to pick up this work during this time is unfeasible.
1.0	E&E	Supply of Emergency PPE	£218,920	22/04/2020	16/05/2020	2. Emergency Situation	Supply of emergency PPE for use during the pandemic is outside the remit of the corporate contract and the incumbents could not supply due to national shortages. The Procurement Team ensured that best value was obtained where practicable and standards adhered to.

No.	Directorate	Title	Waiver Value (£)	Waiver Period Start Date	Waiver Period End Date	Waiver Category	Reason for the Waiver (brief description)
2.1	E&E	Transforming Cities Consultancy Support	£50,000	24/08/2020	24/01/2021	2. Emergency Situation	The Transforming Cities Fund programme is highly ambitious, with a £35million spend required by March 2023. Due to the COVID-19 pandemic resources have been diverted elsewhere and the programme has fallen behind schedule. Therefore a waiver was granted to bring in consultancy support to develop business cases for the programme.
3.0	CR	Technology Forge Extension	£83,500	01/08/2020	31/07/2022	2. Emergency Situation	It is most efficient to continue with the same application until DiCaps is procured and implemented. To commission and implement an alternative system until DiCaps is implemented would involve transferring all data currently held within the TF Cloud system.
3.1	CR	Digital Autopsy	£98,000	14/10/2020	13/04/2021	1. Sole Provider/ Niche	There is a national shortage of pathologists who are able to undertake post mortems and this resulted in delays to the Coroner being informed of cause of death. This is a niche provider and the Council, due to the benefits obtained, wish to continue to provide digital autopsies.

Appendix 3

Total Contracts Award 1st July 2020 to the 31st August 2020 versus the number of waivers

Directorate	Total Contracts Awarded July/Aug 2020	Number of Waivers	% Overall
E&E	19	2	11%
AHW	8	4	50%
LOCYP	14	0	0%
CR	11	2	18%
Total	52	8	15%

The % overall for the period 1st July 20 to the 31st August 20 of waivers granted against contract awarded was **15%** which is a slight decrease on the previous period between the 1st March 20 to the 30th June 20 of which was **16%**.



Doncaster Council

Report

Date: 19th October 2020

To the Chair and Members of the
AUDIT COMMITTEE

INTERNAL AUDIT REPORT FOR THE PERIOD: JULY TO SEPTEMBER 2020

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		No

EXECUTIVE SUMMARY

1. The report attached at **Appendix 1** updates the Audit Committee on the work undertaken by Internal Audit for the period of July to September 2020.
2. The attached report is in four sections:
Section 1. The Audit Plan / Revisions to the Plan
Section 2. Audit Work Undertaken During the Period
Section 3. Implementation of Audit Recommendations
Section 4. Internal Audit Performance
3. A summary of the main points from each of the sections is provided in the following paragraphs:

Section 1: The Audit Plan / Revisions to the Plan

4. The original plan was revised at the June Audit Committee. We have further worked with management in reviewing Service Plans and assessing changes in service provision; this work has not identified any additional areas for urgent review to date. To maintain flexibility in delivery we are continuing to work on the areas detailed in the plan approved at the June meeting at the same time as managing emerging new investigations/lines of enquiry.

5. We will continue to update the audit plan in accordance with our relevant standards and circulate an updated agreed version to audit committee members when available so they are aware of and can note the revisions.

Section 2: Audit Work Undertaken During the Period

6. In the June report we updated that we have now resumed some of our routine and planned audits after being heavily involved in Covid responsive work. During the period July to September, more routine planned work was carried out with work support the pandemic recovery diminishing. Detail of this work is set out in the report.
7. We have a substantial amount of work in progress, with the majority of work on planned audits or non-Covid responsive work, which we will be able to report in the next quarterly update. We are finding that efficiencies are attained e.g. in travel time to meetings and being able to access people more easily meaning some areas of work can be completed quicker. Unfortunately, we are also finding that audits are taking longer to complete due to working with teams still needing to prioritise resources to address the pandemic recovery. We are working with other audit teams to establish methodologies to help mitigate this.

Section 3: Progress on the implementation of audit recommendations

8. This has been a high priority area of work in this period and we have worked extensively with management in this area. We have been able to agree the successful implementation of a number of previously actions. Where this has not yet been possible, we have worked with management in agreeing appropriate revised timescales and any mitigations that could be put in place prior to full implementation. We have also agreed prioritisation of actions where possible i.e. with a view to mitigating higher risks at the earliest opportunity. Where possible we have aimed for management to implement these actions within the next quarter. However, this has not been possible in some instances due to the council-wide reprioritisation of resources due to the Covid-19 situation and other work prioritisations. This has been most prominent for the Trading Standards teams and others in the enforcement area due to the greatly heightened workloads in interpreting and enforcing ongoing changes in Covid related legislation and guidance and in their critical role in ensuring the safety of PPE for schools, care homes and all other users of PPE.
9. There were 5 high risk level overdue recommendations i.e. actions that had passed their original agreed implementation dates. All 5 (7 reported for previous period) high risk level recommendations awaiting implementation have had revised implementation dates agreed by the relevant Assistant Directors. These are made up of 4 from Economy and Environment and 1 for Corporate Resources. Details of these, including the revised implementation dates, are recorded at Appendix B.

10. The total number of overdue medium and low risk level recommendations was 51 (60 reported for previous period), again revised implementation dates have now been agreed for all of these actions. The majority of these fall within the Economy & Environment and Corporate Resources directorates.
11. The current number of audit recommendations agreed and awaiting implementation is 62 (72 reported previously), of which 57 had passed their agreed implementation dates and revised dates have been agreed, as set out above. Moving forward we will monitor the actions against the revised implementation dates, which have been agreed with Assistant Directors. Any future revisions to the dates must be approved in the normal manner with any concerns being escalated in the first instance to the Section 151 Officer.
12. Of the 62 recommendations, 5 have not yet passed their originally agreed implementation dates. Further information on audit recommendations is set out in Section 3 of this report.
13. As detailed above, there has been substantial work carried out in this area and we are fully sighted on all the reasons for the delays and plans for delivery. Additional support has been provided to understand the risk of the delay and look at alternatives. Having undertaken a thorough review of the risk in this area, we have assessed the situation as satisfactory and will continue to tightly monitor and manage this area.

Section 4: Performance Information

14. Due to the impact of Covid-19, minimal performance information is available as the majority of this information relates to planned audit work, which has understandably been very low in this period. We will be in a position to update on the regular performance information in the next quarter report, when the outcome of more planned/routine audits will be available.
13. The key issue is around the sufficiency of planned coverage for the 2020/21 year. The Head of Internal Audit stated in the audit plan report for June's audit committee that *"... with the assurance from the year to date in managing with the pandemic, the ongoing assessment of risk and reprioritisation of the audit plan, the Head of Internal Audit considers that sufficient internal audit work will be able to be delivered alongside the other factors that are taken into account when arriving at his annual opinion on the Council's, risk, governance and control arrangements. There are many caveats associated with this opinion made at this point in time which are as far ranging as the impact of a second spike of the pandemic, central government funding and more local issues such as an unmanageable demand for audit support in investigating irregularities. These and other factors will be under constant review and any concerns will be raised with management and reported accordingly to the Audit Committee."* This position continues to be the case as was also reported in the July 2020 progress report.

RECOMMENDATIONS

14. The Audit Committee is asked to note:
- the position of the internal audit plan
 - the internal audit work completed in the period
 - the position with regards the implementation of previous audit recommendations

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

15. 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

16. 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

17. Not applicable - for information only

REASONS FOR RECOMMENDED OPTION

18. Not applicable - for information only

IMPACT ON THE COUNCIL'S KEY OUTCOMES

19. 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.

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 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, 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

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

LEGAL IMPLICATIONS [SRF 05/10/20]

21. 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.

Legal advice can be provided on individual items on the work plan as required.

FINANCIAL IMPLICATIONS [ST 05/10/20]

22. There are no specific financial implications associated with this report. Internal Audit's budget forms part of the monthly monitoring process and is not reporting any significant issues.

HUMAN RESOURCE IMPLICATIONS [KG 06/10/20]

23. There are no specific human resource implications associated with this report.

TECHNOLOGY IMPLICATIONS [PW 07/10/20]

24. There are no specific technology implications in relation to this report. Updates on the outstanding actions relating to ICT Mobile Devices (Reconciliation of Hard Drives and Guidance for Bitlocker Encryption) are included in Appendix B. The action relating to disposal services is now complete.

EQUALITY IMPLICATIONS [PJ 30/09/20]

25. 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.

HEALTH IMPLICATIONS [RS 07/10/20]

26. Good governance is important for healthy organisations and for healthy populations. Specific health implications should be addressed through individual audits and action plans.

CONSULTATION

27. 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. Regular meetings are held with Senior Management to ensure there is effective and relevant Internal Audit coverage provided.

BACKGROUND PAPERS

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

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

None

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Head of Internal Audit



**Doncaster
Council**

Doncaster Council

Internal Audit Progress Report

July to September 2020

Section 1: Revisions to the Audit Plan

- 1.1. The 2020/21 Audit Plan was originally scheduled to be approved by the Audit Committee in April. Due to the Covid-19 pandemic, the April Audit committee was cancelled and a revised plan was approved at the June Audit Committee.

The plan taken to June's Audit Committee reflected:

- The work of the audit team during the response period. Where Covid response work is still ongoing or has arisen since our last progress report, this is set out in para 2.8.
 - Action taken to understand the impact of the Covid-19 pandemic on the Council's services from an Internal Audit perspective including setting aside resources to assess these and undertake any work required. This is still ongoing and is being adjusted for in our audit planning as are any other new or emerging risks / issues
 - Other planned work for the team for the remainder of the year.
- 1.2. We continue working with Senior Management, the Policy, Insight and Change Unit and other relevant teams within the Council to understand where any key changes have and are taking place so we can assess these from an audit perspective, alongside changes that we are already aware of through our ongoing work and our position within the organisation. We are also sense checking our planning and approach with other Audit Teams in the region with whom we network regularly with. This will ensure that audit resources continue to be targeted to reviewing the highest risks to the council.
- 1.3. We have further worked with management in reviewing Service Plans and assessing changes in service provision. We will produce a revised audit plan which has been agreed with management and this will then be shared with audit committee members when available so they are aware of and can note the revised plan.

Section 2: Audit Work Undertaken During the Period

- 2.1 Like many other services within the Council, we have been severely disrupted during the Covid-19 situation. During the period July to September, in addition to continuing to support the pandemic recovery, we have resumed work on some of our routine and planned audits. There are however some efficiencies e.g. in travel time to meetings and being able access people more easily meaning some work can be completed quicker. However, many of the audits have taken longer to complete due to customers still needing to prioritise resources to address the pandemic recovery. Additionally, some audit types are not easily undertaken remotely e.g. investigations, and some grant based work

- 2.2 We have also been engaged in resource intensive, ongoing, responsive work, both Covid and non - Covid related and much of this is not able to be reported upon at this point in time but will be in future progress reports.
- 2.3 Internal Audit provides an opinion on the control environment for all systems, services or functions which are subject to planned audit review. The opinions given are taken into account when forming our overall annual opinion on the adequacy and satisfactory operation of the Council's governance, risk management and internal control arrangements at the end of the year.

Internal Audit Opinion

- 2.4 Internal Audit provides an opinion on the control environment for all systems, services or functions, which are subject to planned audit review. The opinions given are taken into account when forming our overall annual opinion on the adequacy and satisfactory operation of the Council's governance, risk management and internal control arrangements at the end of the year.
- 2.5 A "*substantial assurance*" opinion is given where there are no or low levels of concern. A "*reasonable assurance*" opinion is given where there are issues of concern that need to be addressed which may put at risk the achievement of objectives in the area audited. A "*limited assurance*" opinion is given in any area under examination where one or more concerns of a 'fundamental' nature are identified or where there are a considerable number of issues of concern arising which need addressing. A '*no assurance*' opinion is given where immediate action is required to address fundamental gaps, weaknesses or non-compliance identified in the area under review, although '*no assurance*' opinions are extremely rare.

Summary of Findings from Audit Reviews

- 2.6 Summary conclusions on all significant audit work completed July to September 2020 and any completed work not previously reported, are set out in **Appendix A**.

Audits providing 'limited' assurance opinions

- 2.7 No limited assurance opinions were given this quarter.

Responsive Audit Work and Investigations

- 2.8 In addition to our planned assurance work, we also investigate allegations of fraud, corruption or other irregularity and/or error, and respond to requests for assistance from services and functions in the Council. During this reporting period, we have continued to undertake work in support of the Authority response to the Covid-19 situation. A

summary of the significant pieces of work that have been completed or are still ongoing is provided below:

Audit Area	Update
<u>COVID-19 Responsive Work</u>	
<p>Communities Cell <u>Work</u>:</p> <ul style="list-style-type: none"> • Attendance at Voluntary, Charity, and Faith Sector Workstream Cell meetings. • Development and production of 'A guide for Volunteering during the Coronavirus outbreak – Doncaster Community Hub Guide and Best Practice for voluntary groups and volunteers'. 	<p>Complete</p> <p>The guide was published by the Doncaster Community Hub. Regular reviews and revisions of the guide took place but further changes will be minimal.</p>
<p>Excess Deaths and Data Cells Work:</p> <ul style="list-style-type: none"> • Modelling death data using national models. • Modelling the bereavements services system and using death data models to predict bereavement services and funeral director demands (comparing them to actual available capacity) so that the data can be used for planning purposes. • Daily monitoring and reporting on local deaths (using data from Coroners and Registrars). • Analysing COVID death rates among the population and in care homes. • Analysing death rates in hospital and the community. 	<p>This work peaked in Quarter 1 and reduced to very much lower levels in Quarter 2. It is expected that work in this area will again unfortunately increase.</p>
<p>Finance and Procurement</p> <ul style="list-style-type: none"> • Involvement with the Business Rates Grant payment process. • Involvement with the Business Rates Grant Post Assurance work. 	<p>Completion of the Business Rate Grants is undertaken on a weekly basis.</p> <p>Provided support with fraud risk assessments and monthly assurance reporting to Government. Post assurance checking to be carried out using a nationally available system such as Spotlight or NFI.</p>

Audit Area	Update
<ul style="list-style-type: none"> • Assistance with PPE stockholding control. • Infection control grant letters to care providers informing of grants awarded. • Supplier Relief Scheme – as part of the Covid work the Supplier Relief Scheme was added to the plan to give assurance on the scheme. Prior to the work commencing a second stage complaint regarding the scheme was received and investigated by Internal Audit. The audit work originally planned is still required. 	<p>Continued assessment of stock accuracy and control arrangements.</p> <p>Infection Control Letters work is now complete although assistance is being provided as required with round 2 in October 2020</p> <p>The complaint has been investigated and responded to.</p> <p>The audit review remains outstanding.</p>
<p>Support to Adults to release their essential staff to work on front line duties: Support has been provided in improving data in the system to support fees and charges.</p>	Ongoing
<p>Data Breach Review An urgent quick review (24 hour response) was undertaken to ensure appropriate protocols and controls had been adhered to within the Council following the release of confidential information by another party. The review concluded that our arrangements met the standards expected of the organisation and that no breaches had occurred here.</p>	Complete
<p><u>Non – Covid-19 Responsive work</u></p>	
<p>Adult Social Care Fees and Charges Implementation Support</p>	<p>New fees and charges for many adults' services are being introduced in 2020/21. Internal Audit have been involved with providing advice and consultancy to some of these areas rolling out the charges to ensure that they are robustly delivered and that any associated risks are well managed.</p>
<p>Doncaster East Internal Drainage Board (DEIDB)</p>	<p>Support was provided to the Board in finalising a governance review of a major project. Independent</p>

Audit Area	Update
	<p>consultants were engaged to support this review and their findings assessed by the Board.</p> <p>Ongoing support and advice is still provided to the Portfolio Holder and Chair of Board regarding residual matters still to be resolved.</p>
<p>National Fraud Initiative</p> <p>Preparations have been completed for the data extract and subsequent upload for the National Fraud Initiative 20/21.</p>	<p>From here the data is matched at a national level for investigation as appropriate when available in early 2021.</p>
<p>Highways Grants – (3 separate Grant Schemes)</p>	<p>Assisting / providing evidence to the External Auditor for their national audit of the Highways Grants.</p>
<p>Environmental Services Improvement Plan</p> <p>This item of work was identified during 2019 and included in the 2020/2021 Internal Audit Plan</p> <p>It involved supporting this key work are in a number of ways:</p> <ol style="list-style-type: none"> 1) Providing assurance to stakeholders that actions implemented have been met and are set to achieve their intended outcomes. 2) Providing audit advice on system changes arising during the project 3) Providing ad hoc support and advice on control and governance issues identified. 	<p>This work is still in early stages but will add value in a key areas of the Council's operations.</p>

Section 3: Implementation of Audit Recommendations

3.1 Following the completion of audit work, improvement plans are produced in consultation with service management containing details of actions and dates agreed by management for their implementation. Final reports, incorporating agreed improvement

plans, are then formally issued to the appropriate Director, Assistant Director and Head of Service.

- 3.2 Internal Audit subsequently seeks assurance that agreed actions arising from audit work have actually been implemented. This involves contacting the officer allocated to complete the action to obtain evidence that agreed actions have been implemented or, where they have not, that appropriate progress is being made. Where fundamental weaknesses in internal control arrangements have been identified, more detailed follow up work is undertaken.
- 3.3 Any recommendations that are not implemented in line with agreed timescales are reported as part of the Council's Quarterly Resource Management processes and consequently monitored through that process. Additionally, Assistant Directors are provided each month with details of all actions outstanding in their area and these are then reviewed with Internal Audit and the Director and their management teams each quarter. Overdue high risk level recommendations are reported routinely by Internal Audit to the Audit Committee.
- 3.4 Due to the Covid-19 pandemic and prioritisation of council resources to support essential services, we did not pursue updates from management for the majority of outstanding recommendations during the period March to June, as many Services were dealing with emergency Covid responses or had incurred disruption due to the pandemic in this time. Since June, this has been a high priority area of work and we have worked extensively with management in this area. We have been able to agree the successful implementation of a number of previous actions. Where this has not yet been possible, we have worked with management in agreeing appropriate revised timescales and any mitigations that might be put in place before full implementation. We have also agreed prioritisation of actions where possible i.e. with a view to mitigating higher risks at the earliest opportunity. Where possible we have aimed for management to implement these actions within the next quarter. However this has not been possible in some instances due to the council-wide reprioritisation of resources due to the Covid-19 situation and other work prioritisations. Accordingly, this report records the current status in respect of outstanding and / or overdue actions.
- 3.5 There were a total of 57 actions (67 previous period) which were overdue i.e. that have passed their agreed implementation date. A breakdown of these via Directorate is detailed in the table below and details of all these actions has recently been circulated to the relevant Assistant Directors. All these 57 recommendations have had revised dates agreed by their relevant Assistant Directors and we will tightly monitor and report on the achievement of these revised dates.

3.6 The detail of the high level recommendations and revised implementation dates is provided in Appendix B.

Directorate	Number of high risk level recommendations overdue at 30/09/20				Number of medium / lower risk level recommendations overdue at 30/09/20			
	At 02/07/18	At 10/03/20	At 30/06/20	At 29/09/20	At 02/07/18	At 10/03/20	At 30/06/20	At 29/09/20
Adults, Health & Wellbeing (AHWb)	16	1	0	0	53	0	8	4
Economy & Environment (EE)	0	3	4	4	11	10	31	31
Corporate Resources (CR)	0	0	3	1	22	7	20	17
Learning & Opportunities (Children & Young People) (LOCYP)	0	0	0	0	10	0	1	0
Council Wide	0	0	0	0	2	0	0	0
TOTAL	16	4	7	5	98	17	60	52

3.7 The main area where there has been significant delays is:

Trading Standards (Economy & Environment)

The first actions became overdue on 31/12/2019 and all actions were originally due to have been implemented by 30/06/20. Delays are, in the main, due to the teams resources being needed to support the Covid-19 situation which is still very much an ongoing issue. In addition to their existing responsibilities and workloads they are responsible for interpreting and enforcing ongoing changes in Covid related legislation and guidance and have critical role in ensuring the safety of PPE for schools, care homes and all other users of PPE. Revised dates and actions for the major rated actions are set out in Appendix B and any available resource is being prioritised to address these areas. There are currently 30 actions awaiting implementation, of which 4 are high risk, 23 are medium risk and 3 are low risk level recommendations. 23 of the 30 actions had original implementation dates between 31/03/20 and 30/06/20 i.e. the initial pandemic response period. Revised implementation dates have been approved for all these actions.

3.8 The spread of all recommendations awaiting implementation including those not yet due is shown below:

Directorate	No. of rec's at 10/03/2020	No. of rec's at 30/06/2020	No. of rec's at 29/09/2020
Adults, Health and Wellbeing	9	8	4
Economy & Environment	39	35	35
Corporate Resources	32	28	23
Learning & Opportunities (Children & Young People)	1	1	0
TOTAL	81	72	62

3.9 Having undertaken a thorough review of the risk in this area, we have assessed the situation as satisfactory and will continue to tightly monitor and manage this area.

Section 4: Internal Audit Performance

Performance Indicators

- 4.1 The Audit Committee has previously agreed the key performance indicators that should be reported to it relating to the performance of the Internal Audit service.
- 4.2 Due to the impact of Covid-19, minimal performance information is available as the majority of performance information relates to planned audit work completed. A number of audits have been started and are currently being worked in this period, we will be in a position to update on the regular performance information in the next quarter report, when the outcome of more planned/routine audits will be available.

Planned Audit Work Completed in Period / Not Previously Reported

APPENDIX A

Audit Area	Assurance Objective	Final Report to Mgm't.	Overall Audit Opinion	Summary of Significant Issues
LEARNING AND OPPORTUNITIES:CHILDREN & YOUNG PEOPLE				
Nothing to report.				
CORPORATE RESOURCES				
Blue Badge Implementation Grant 31/3936	Confirm expenditure and that it is in keeping with the conditions of the grant allowing Doncaster Council sign off.	n/a	Not Applicable – Grant Claim verification	Grant signed, no issues raised.
Core Financial Processes - Accounts Payable Audit 2019/20	Examine the extent to which the operational risks and operational processes are effectively managed within the Accounts Payable system / processes to ensure that payments for goods and services that have been provided and that there are sound arrangements to minimise fraudulent and incorrect payments.	19/02/20	Substantial Assurance	None
ECONOMY AND ENVIRONMENT				
Highways Grants - No 31/3693, No.31/3221 and No.31/3296	Confirm expenditure and that it is in keeping with the conditions of the grant allowing Doncaster Council sign off.	n/a	Not Applicable – Grant Claim verification	Grant signed, no issues raised.
ADULTS AND COMMUNITIES				
Troubled Families Grant (April to July)	Confirm expenditure and that it is in keeping with the conditions of the grant allowing Doncaster Council sign off.	n/a	Not Applicable – Grant Claim	Grant signed, no issues raised.

Audit Area	Assurance Objective	Final Report to Mgm't.	Overall Audit Opinion	Summary of Significant Issues
			verification	

Overdue Major Recommendations

APPENDIX B

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
ECONOMY AND ENVIRONMENT						
Trading Standards and Food and Animal Safety RE Team Structure	<p>The Food and Animal Health team consists of 11 staff (2 vacant posts currently) all directly reporting to the Food and Animal Health Manager.</p> <p>The Trading Standards team consists of 22 staff all directly reporting to the Trading Standards Manager.</p> <p>These structures do not follow the HR Structure Review Policy and Procedure in terms of spans of control and are considered to be excessive.</p>	<p>Appropriate spans of control do not exist therefore the Managers are unable to support all staff adequately.</p> <p>The quality of work cannot be effectively reviewed with such minimal levels of supervisory time.</p>	The Food and Animal Health and Trading Standards team structures will be reviewed to ensure appropriate spans of control exist to ensure Managers are able to fully support the staff within the teams.	31/12/19	31/03/21	The Trading Standards & Licensing structure has been revised to reduce the number of direct reports to the manager from 22 to 12 and this has been in effect for the past 6 months. Food Safety, Animal Health and Health and Safety direct reports remains at 15 and this has been the case for the past 6 years. Currently this works but this will be reviewed post Covid and Brexit once we can fully understand pressures on the team The implementation date for this action has subsequently been revised to reflect the anticipated Covid restrictions.
Trading Standards	All authorities that engage in regulation	Staff may be working to	The draft regulators code written for all	01/01/20	31/03/21	Draft policy in line with Regulators Code and Food

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
<p>and Food and Animal Safety</p> <p>Regulators code and Food Law Enforcement Policy</p>	<p>and enforcement activities are required to publish their own regulators code that sets out how they will work and communicate with those that they regulate. A draft regulators code was written for all of regulation and enforcement but has never been approved by full council, nor has it been published on the Council's website as required.</p> <p>In addition, a food law enforcement policy is required by the Food Law Code of Practice and should be made available to the public.</p> <p>There is also a Council Environmental</p>	<p>differing rules / breaching rules as they are not clear on the rules in place.</p> <p>Non-compliance with Food Law Code of Practice.</p>	<p>of Regulation and Enforcement and the Council Environmental Protection draft enforcement policy should be reviewed and amended as necessary. Once a decision regarding combining the documents has been made, the document(s) will be approved as necessary and published.</p>			<p>Law Code of Practice has been drafted. This needs sign-off through the governance process and will then be implemented across E&E.</p>

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
	<p>Protection draft enforcement policy, which is not finalised. The previous enforcement policy was dated May 2013.</p> <p>A South Yorkshire Food Safety Law Enforcement Protocol was produced in 2012 which was agreed between all food leads, however this was never sent to members for approval at Doncaster.</p>					
<p>Trading Standards and Food and Animal Safety</p> <p>Lone Working</p>	<p>To ensure the welfare of staff when working alone, food staff have recently been reminded by email of the lone worker scheme. This scheme requires staff to ring in with their pin number to register onto the system as lone working. However, not</p>	<p>Staff may be in danger when working alone as no one knows their location or whether they should be expected back (and are therefore missing).</p>	<p>Management will ensure that all food staff are registered on the lone worker scheme.</p> <p>Management will check that staff are utilising the system and further remind staff of the importance of using the lone worker</p>	<p>31/03/20</p>	<p>31/03/21</p>	<p>Due to Covid, no officers are currently lone working. However, after this issue was raised, the system was updated to ensure everyone was registered, and when lone working begins again, all will be reminded to use the system. The implementation date for this action has subsequently been revised to reflect the anticipated Covid restrictions.</p>

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
	<p>everyone in the food team are registered and utilising the Lone Worker System.</p> <p>Given threats against staff and the nature of the work undertaken this is essential and its use should be enforced.</p>		<p>scheme and the process to follow.</p>			
<p>Trading Standards and Food and Animal Safety</p> <p>28 day deadline</p>	<p>All inspections should be completed within 28 days of their inspection due date. However, this target is never met and it is understood this situation is not unique to Doncaster and is common amongst other local authorities.</p> <p>The team however, do work in priority order and, therefore, higher risk premises will be inspected prior to the lower risk</p>	<p>Inspections not being completed in time resulting in criticism from the Food Standards Agency.</p>	<p>Inspections will be allocated in plenty of time in order for staff to be able to plan their work to be able to complete inspections within the 28 day deadline of their due date.</p> <p>Priority will be given to any inspections becoming due (in particular higher risk categories) to ensure they are completed as soon as possible to their due date.</p>	<p>30/04/20</p>	<p>31/03/21</p>	<p>Unable to implement this action due to Covid – once business as usual does restart, there will be a significant backlog which will take time to overcome and the 28-day target will remain in flux for the current Food Standards Agency year. This has been recognised by the Food Standards Agency as a challenge and allowances have been made in the 2019-2020 returns. The implementation date for this action has subsequently been revised to reflect the anticipated Covid restrictions.</p>

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
	<p>premises.</p> <p>Testing revealed that there are a number of inspections in the higher risk categories that are overdue. All Category A and B overdue inspections have now been allocated to officers. It is noted that the Food and Animal Health team currently have 2 vacant posts and that this will have an impact on this work.</p>		<p>Spot checks will be carried out to confirm that inspections are being allocated promptly to ensure deadlines are being met.</p> <p>Performance reports that show this information will be circulated at team meetings.</p>			
CORPORATE RESOURCES						
<p>ICT Mobile Devices</p> <p>Reconciliation of Hard Drives</p>	<p>The security measures in place to protect information on hard drives is secured by Bitlocker encryption. All encryption codes are preset the same when being configured and there is no guidance to</p>	<p>Data on hard drives is at risk of being inappropriately accessed.</p> <p>General Data Protection Regulations and the Information</p>	<p>Hard-drives will be removed by the contractor when they dispose of them appropriately. The contractor will record the hard-drive serial number against the relevant asset badge number and will confirm by</p>	31/03/20	31/10/20	<p>The contract has only very recently commenced (01/09/20). Due to the requirement of the contractor to collect devices and for them to work through the devices/badge numbers and provide Doncaster Council with the information to be able to reconcile to own records, it requires a little time for this to</p>

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
	<p>instruct employees to change this when issued. Therefore most employees will have the same Bitlocker code</p> <p>Where hard drives are removed from devices waiting for disposal these are stored for a period of time before being appropriately destroyed and are therefore unsecure.</p> <p>Although serial numbers are present on hard drives there is no record maintained of these when hard drives are stored. A reconciliation cannot be carried out to ensure that all hard drives have been destroyed.</p>	<p>Security Policy may be breached leaving the Council subject to risks of reputation, litigation and professional negligence.</p>	<p>way of certificate that hardware has been disposed of appropriately. The report will be used to reconcile against the Council's inventory record of which devices that have been disposed of.</p>			<p>be carried out.</p>

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
ICT Mobile Devices Guidance for Bitlocker Encryption	<p>The security measures in place to protect information on hard drives is secured by Bitlocker encryption. All encryption codes are preset the same when being configured and there is no guidance to instruct employees to change this when issued. Therefore most employees will have the same Bitlocker code</p> <p>Where hard drives are removed from devices waiting for disposal these are stored for a period of time before being appropriately destroyed and are therefore unsecure.</p> <p>Although serial numbers are present</p>	<p>Data on hard drives is at risk of being inappropriately accessed.</p> <p>General Data Protection Regulations and the Information Security Policy may be breached leaving the Council subject to risks of reputation, litigation and professional negligence.</p>	Guidance will be produced and communicated to all staff to ensure that their Bitlocker code is updated from the original setting.	31/03/20	30/11/20	<p>This cannot progress until all users have had their laptops/desktops upgraded from the current version of Windows to the latest (1909) version. This is currently ongoing but is having to occur slowly due to over 2,500 staff who are working from home. Additionally, there are many hundreds of devices in buildings which are not being used and to which the updates cannot be made at the moment. A plan to progress this, once everyone is on Windows 1909, is currently being formulated.</p> <p>Due to the fact that the majority of devices are in peoples homes and inaccessible by other people or simply not in use, this issue has been downgraded to LOW risk status. Reliance on staff maintaining 2 passwords causes resourcing issues within the IT team. Accordingly, alternate</p>

Audit Area	Finding	Risk Exposure	Action Agreed	Estimated Impl'n Date	Revised Impl'n Date	Current Status
	<p>on hard drives there is no record maintained of these when hard drives are stored. A reconciliation cannot be carried out to ensure that all hard drives have been destroyed.</p>					<p>solutions to establish dual factor authentication will be looked into to.</p> <p>Reduced to low risk and alternate solution to be established</p>
<p>ICT Mobile Devices Arrangement for Disposal Service</p>	<p>Whilst a contractor currently provide a disposal service of ICT devices and equipment, there is no formal contract in place.</p>	<p>General Data Protection Regulations and the Information Security Policy may be breached leaving the Council subject to risks of reputation, litigation and professional negligence.</p>	<p>Advice will be sought from the Strategic Procurement Team to ensure that appropriate contract arrangements are in place to dispose of hardware and equipment.</p>	<p>31/03/20</p>	<p>31/08/20</p>	<p>Complete</p>



Doncaster Council

Report

19th October, 2020

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

**STATEMENT OF ACCOUNTS, LOCAL CODE OF CORPORATE GOVERNANCE
AND ANNUAL GOVERNANCE STATEMENT 2019/20 – ISA 260 REPORT TO
THOSE CHARGED WITH GOVERNANCE**

EXECUTIVE SUMMARY

Statement of Accounts

1. In accordance with International Standard on Auditing (ISA) 260, the Council's external auditor is required to issue a report detailing the findings from the 2019/20 audit and the key issues that the Committee should consider before the external auditor issues their opinion on the financial statements.
2. The 'Communication with those charged with governance' report (ISA 260 report attached as Appendix A) has to be considered by 'those charged with governance' before the external auditor can sign the accounts which, under normal circumstances, legally has to be done by 31st July. The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 amended this date to 30th November for 2020.
3. The external auditor (Grant Thornton) expects to issue an unqualified audit opinion on the Council's financial statements for 2019/20; subject to all outstanding queries being resolved to their satisfaction.
4. Grant Thornton also expects to issue an unqualified Value For Money (VfM) conclusion for 2019/20.
5. Overall the ISA 260 report is a positive one, with five adjusted misstatements.
6. Attached to this report is the draft ISA 260 report. A final version of the ISA 260 report will be presented at the Audit Committee along with any relevant verbal updates.
7. The Section 151 Officer, as the responsible financial officer, re-confirms on behalf of the Council that she is satisfied that the statement of accounts presents a true and fair view of:
 - a. the financial position of the Council at the end of the 2019/20 financial year; and

- b. the Council's income and expenditure for the 2019/20 financial year.

Local Code of Corporate Governance and Annual Governance Statement

8. To ensure Doncaster governance arrangement still meet best practice and comply with the requirements of the Accounts and Audit Regulations, a review of Doncaster Local Code of Corporate Governance (Local Code) has been undertaken to ensure the guidance document is still relevant and up to date (Appendix B). The local code shows all the policies and procedures in place at the Council that enable the Council to meet the seven principles of good governance set out in the CIPFA/SOLACE Framework.
9. The Council is also required to prepare, approve and publish an Annual Governance Statement (AGS) in accordance with the Accounts and Audit Regulations and professional accounting practice. The Council's governance arrangements in place during 2019-20 have been reviewed in line with the guidance and an Annual Governance Statement has been produced (Appendix C). This document demonstrates our governance compliance by: -
 - a. Highlighted **6** key areas of improvement that have been completed and have been effectively managed to the extent that they are no longer significant (Page 9-10);
 - b. Identified **3** new significant issues arising from the 2019-20 review of effectiveness of the corporate governance arrangements (Pages 4-5);
 - c. Provided an update on the **4** key areas identified during previous years that remain an issue in 2019-20 (Pages 6-7).
10. Since the draft AGS was presented at Audit Committee in June, there have been no further significant issues identified. We have also reviewed the current issues contained within the AGS to reflect the latest position. This is a really positive position to be able to report as it is a strong indicator that Doncaster's governance arrangements have proven to be sound under the greatest of stress tests presented by the coronavirus pandemic.

EXEMPT REPORT

11. Not applicable.

RECOMMENDATIONS

12. It is recommended that the Audit Committee: -
 - a. Note the contents of the external audit ISA 260 report;
 - b. Consider the Letter of Representation and endorse its contents;
 - c. Approve the Statement of Accounts 2019/20; and
 - d. Approve the Annual Governance Statement 2019/20.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

13. An unqualified audit opinion on the Council's financial statements and a good VfM conclusion resulting from the annual audit process would indicate that there is excellent internal control in place safeguarding Council resources.

BACKGROUND

Preparation of the Accounts

14. The Council's 2019/20 accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and the appropriate accounting codes of practice. They were approved by the Council's responsible financial officer (Chief Financial Officer & Director of Corporate Resources) and published on the Council's website on the 7th July. This was in line with the statutory deadline of 31st July. The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 amended the normal statutory date from 31st May to 31st July for 2020.
15. The draft accounts were presented to this Committee for information on 23rd July 2020. Grant Thornton were presented with these draft accounts on 7th July 2020.

Outcomes of the Audit

16. The external audit began on 8th July and included examination of evidence relevant to the amounts and disclosures in the financial statements and related disclosure notes. It also included an assessment of the significant estimates and judgments made by the Council in the preparation of the financial statements and related notes and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed. This has resulted in the findings and conclusions contained in the ISA 260 report.
17. Throughout the audit process the Council's Financial Management team have responded promptly to audit queries which have contributed positively to the audit's satisfactory conclusion. Key finance officers take a proactive role in identifying potential risks so that a dialogue can take place with Grant Thornton at an early stage to discuss and seek agreement on significant and often highly complex, accounting issues affecting the year's accounts.
18. There were five adjusted misstatements relating to the Pension Fund liability and the group consolidation of Doncaster Children's Services Trust. These are detailed in the ISA 260 report page 27.
19. There were four misclassification and disclosure changes regarding group pension disclosure, material uncertainty disclosure, Group CIES and PFI liabilities. These are detailed in the ISA 260 report page 27.
20. Grant Thornton have made three recommendations this year: one High priority and two Medium priority. These relate to Group accounts consolidation, economic lives of infrastructure assets and Brexit. These are detailed in the ISA 260 report page 25.
21. The accounts were made available for public inspection for 30 working days (in accordance with the Accounts and Audit (England) Regulations 2015) on Wednesday, 8th July 2020, during which, members of the general public were able to inspect the accounts and raise questions on the financial statements and the associated disclosure notes. During this period no inspection visits were made.

22. Grant Thornton intends to issue an unqualified Value for Money (VfM) conclusion stating that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Grant Thornton performed detailed work on two identified risks – Financial Standing and Brexit. This follows on from the positive conclusion obtained last year and is recognition of the work undertaken to embed robust financial and governance arrangements within the Council.
23. The Letter of Representation requires endorsement by the Committee as an important final stage in the audit of the Council’s 2019/20 Statement of Accounts. The letter is from the Section 151 Officer to Grant Thornton and is an assurance from management that the accounts have been prepared correctly and to bring to the auditors’ attention any further matters that need to be taken into account prior to their opinion being issued. The draft letter is included at the end of the draft ISA260 report. A final version will be presented at the Audit Committee along with any relevant verbal updates.

OPTIONS CONSIDERED

24. Not applicable.

REASONS FOR RECOMMENDED OPTION

25. The Council is subject to statutory external audit and performance evaluation by Grant Thornton and must prepare annual accounts.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

26. 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>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>An unqualified audit opinion from Grant Thornton 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 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

27. The table below highlights the most significant risks that could have a negative impact on the deliverability of the Council's financial position and the action taken to mitigate them: -

Risks / Assumptions	Probability	Impact	Proposed Action
Robustness of correct outturn figure	Low	Medium	Work has been undertaken during monitoring and closedown process to process all transactions and prepare for audit. This has included an increase in senior officer quality assurance review and control; and internal verification and checks by finance and technical officers.

The Audit identifies a material / significant finding or inaccuracy in the production of the accounts.	Low	High	Continuous dialogue with Grant Thornton throughout the year. Specific discussions on key complex / technical areas are as part of the monthly audit liaison group meetings
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LEGAL IMPLICATIONS [Officer Initials...SRF... Date...08.10.20]

28. The Statement of Accounts is prepared in accordance with the appropriate regulations and the Council is subject to statutory external audit and performance by Grant Thornton.

FINANCIAL IMPLICATIONS [Officer Initials...RI... Date...29.09.20]

29. The Council's Statement of Accounts are prepared in line with the Accounts and Audit Regulations 2015 and International Financial Reporting Standards.
30. The audit fee budget is managed by the Director of Corporate Resources and this review is included in the planned expenditure for the 2019/20 audit.

HUMAN RESOURCES IMPLICATIONS [Officer Initials...KG... Date...08.10.20]

31. There are no specific HR implications relating to the contents of this report.

TECHNOLOGY IMPLICATIONS [Officer Initials...PW... Date...07.10.20]

32. There are no specific technology implications relating to the contents of this report.

HEALTH IMPLICATIONS [Officer Initials...RS... Date...08.10.20]

33. There are no direct health implications in this report. Effective audit and governance should contribute to improved health and wellbeing.

EQUALITY IMPLICATIONS

34. This report has no specific equality implications.

CONSULTATION

35. Not applicable.

BACKGROUND PAPERS

36. Following background papers: -
- Unaudited Statement of Accounts 2019/20 published on the Council website: - <http://www.doncaster.gov.uk/services/the-council-democracy/statement-of-accounts>
 - Accounts and Audit Regulations 2015
 - The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020

- The Code of Practice on Local Authority Accounting 2019/20 ('The Code') - based on IFRS

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Faye Tyas
Chief Financial Officer
& Assistant Director of Finance

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The Audit Findings (ISA260) Report for Doncaster Metropolitan Borough Council

Year ended 31 March 2020

8 October 2020



Contents



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Doncaster Metropolitan Borough Council ('the Council') and the preparation of the group and Council's financial statements for the year ended 31 March 2020 for those charged with governance.

<p>Covid-19</p>	<p>The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the normal operations of the Council from March 2020. Given the impact of the pandemic only started from mid-March, additional costs have not had a major impact on the financial outturn for 2019-20, however, the scale of impact is being felt during 2020-21.</p> <p>There have been significant financial challenges as the Council responded to the COVID-19 pandemic through additional costs to support operational services, lost income through reduced trading activity and some cessation of services. In addition, council tax payments and business rates payments reduced as lock down started, businesses closed, and staff furloughed.</p> <p>Authorities are still required to prepare financial statements in accordance with the relevant accounting standards and the Code of Audit Practice, albeit to an extended deadline for the preparation of the financial statements up to 31 August 2020 and the date for audited financials statements to 30 November 2020.</p>	<p>We updated our audit risk assessment to consider the impact of the pandemic on our audit and issued an audit plan addendum on 21 April 2020. In that addendum we reported an additional financial statement risk in respect of Covid -19 and highlighted the impact on our VfM approach. Further detail is set out on page 6.</p> <p>Restrictions for non-essential travel has meant both Council and audit staff have had to work remotely, including remotely accessing working papers and financial systems. In addition, meetings have been replaced by telephone and video conferencing arrangements which has also been extended to Council Committee meetings including the Audit Committee.</p> <p>We were provided with the Council's draft 2019-20 statement of accounts on 7 July 2020, ahead of the revised 31 August 2020 deadline.</p>
<p>Financial Statements</p>	<p>Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the group and Council's financial statements:</p> <ul style="list-style-type: none"> • give a true and fair view of the financial position of the group and Council and the group and Council's income and expenditure for the year • have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014. <p>We are also required to report whether other information published together with the audited financial statements including the Annual Governance Statement (AGS) and Narrative Report, is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p>	<p>Our audit work was completed remotely during July to October 2020. Our findings are summarised on the following pages. We have identified the following adjustments to the financial statements:</p> <ul style="list-style-type: none"> • Pension fund liability - an increase in the Council's pension fund liabilities of £8.0m resulting from the actual pension valuation not taking place at 31 March 2020 (£6.9m), and not incorporating the impact of the Goodwin judgement (£1.1m) • Group consolidation: Doncaster Children's Services Trust - the omission of the opening pension liability of £14.2m in the group accounts, the under recording of both income and expenditure of £4.5m and the erroneous inclusion of prior year comparatives for 2018-19. <p>None of the above adjustments impact on the Council's General Fund position. Further details of the audit adjustments are detailed on pages 6 to 10 and at Appendix C. We have also raised recommendations for management as a result of our audit work at Appendix A. Our follow up of recommendations from the prior year's audit are detailed at Appendix B.</p> <p>Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion (Appendix E) or material changes to the financial statements, subject to the following outstanding matters:</p> <ul style="list-style-type: none"> • completing our work on financial instruments, employee remuneration, PPE, Pension fund assets and liabilities and group accounts

Financial Statements continued

- assurance from the South Yorkshire Pension Fund auditor on the 2019/20 Pension Fund accounts. Until received, currently expected mid to late October 2020, we will be unable to complete our audit work and issue our audit opinion. Where the pension fund auditor’s report refers to a material uncertainty relating to Covid-19, we will need to consider the impact on the Council’s accounts and our audit report
- completion of our internal quality review processes, including final reviews of the file by both the senior manager and engagement lead, specifically in respect of significant audit risks of PPE revaluations and the Pension Fund liability
- procedures for Whole of Government Accounts
- reviewing the final version of the financial statements
- obtaining and reviewing the management letter of representation
- updating our post balance sheet events review, to the date of signing the opinion.

We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisation.

Our anticipated audit report opinion will be unqualified with an Emphasis of Matter paragraph, relating to the material uncertainty around the valuation of land and buildings as a direct impact of Covid-19. This is due to the Council’s valuers reporting a material uncertainty in their valuation reports and also being reported in the Council’s financial statements. This is a consistent finding across our local authority audits.

Value for Money arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report if, in our opinion, the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VfM) conclusion').

We have completed our risk based review of the Council’s value for money arrangements. We have concluded that the Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We have updated our VfM risk assessment to document our understanding of your arrangements to ensure critical business continuity in the current environment. The VfM risks identified at the planning stage of our audit were the Council’s Financial Standing and preparations for Brexit. We have not identified any new VfM risks in relation to Covid-19.

We therefore anticipate issuing an unqualified value for money conclusion, as detailed at Appendix E. Our findings are summarised on section three of this report.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- To certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of our work under the Code but will not be able to issue our completion certificate until we have completed our work on the Whole of Government consolidation pack.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and timely collaboration provided by the finance team and other staff during these unprecedented times.

2. Financial statements - Audit approach

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Council's business and is risk based, and in particular included:

- an evaluation of the Council's internal controls environment, including its IT systems and controls
- an evaluation of the components of the group based on a measure of materiality considering each as a percentage of the group's gross revenue expenditure to assess the significance of each component and to determine the planned audit response. From this evaluation we determined that a targeted approach was required as part of our audit of St Leger Homes of Doncaster Ltd and Doncaster Children's Services Trust; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have had to alter our Audit Plan, as communicated to you on 21 April 2020, to reflect our response to the Covid-19 pandemic.

Materiality area	Group Amount (£)	Council Amount (£)	Qualitative factors considered:
Materiality for the financial statements	11,041k	10,944k	Materiality has been based on 1.5% of the Authority's gross expenditure
Performance materiality	7,729k	7,661k	Our performance materiality has been set at 70% of our overall materiality
Trivial matters	550k	550k	This is set at 5% of financial statements materiality and reflects a level below which stakeholders are unlikely to be concerned by uncertainties.
Materiality for specific transactions, balances or disclosures	-	15k	The senior officer remuneration disclosure in the Statement of Accounts has been identified as an area requiring a lower materiality due to its sensitive nature.

Conclusion

We have substantially completed our audit of your financial statements and subject to the outstanding queries being resolved, we anticipate issuing an unqualified audit opinion including an Emphasis of Matter paragraph, relating to the material uncertainty around the valuation of land and buildings as a direct impact of Covid-19, as detailed at Appendix E. These outstanding items include:

- completing our work on financial instruments, employee remuneration, PPE, Pension fund assets and liabilities, group accounts, capital expenditure and financing and cash flow;
- assurance from the South Yorkshire Pension Fund auditor on the 2019/20 Pension Fund accounts
- procedures for Whole of Government Accounts
- reviewing the final version of the financial statements
- obtaining and reviewing the management letter of representation
- updating our post balance sheet events review, to the date of signing the opinion.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality levels remain the same as reported in our Audit Plan and Audit Plan Addendum.

Significant audit risks

Risks identified in our Audit Plan	Auditor commentary
<p>Covid- 19</p> <p>The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to:</p> <ul style="list-style-type: none"> • Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation • Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates • Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen • Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties. <p>We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our work we:</p> <ul style="list-style-type: none"> • worked with management to understand the implications the response to the Covid-19 pandemic had on the organisation's ability to prepare the financial statements and update financial forecasts and assessed the implications for our materiality calculations. No changes were made to materiality levels previously reported. The draft financial statements were provided on 7 July 2020 • liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross-sector responses to issues as and when they arose. Examples include the material uncertainty disclosed by the Council's property valuation expert • evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic • evaluated whether sufficient audit evidence could be obtained through remote technology • evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as assets and the pension fund liability valuations • evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment • discussed with management the implications for our audit report where we have been unable to obtain sufficient audit evidence. <p>On the basis of our work, we concluded that our anticipated audit report opinion would be unqualified with an emphasis of matter relating to the material uncertainty around the valuation of land and buildings. Note that this change to our opinion is a direct result of the impact of Covid-19. The reporting of a material uncertainty on the valuation of land and buildings is consistent across our local authority audits.</p>

Significant audit risks

Risks identified in our Audit Plan	Auditor commentary
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including at Doncaster Metropolitan Borough Council, mean that all forms of fraud are seen as unacceptable. 	<p>We reviewed our rebuttal of this risk during the final accounts audit and concluded our assessment as detailed in the Audit Plan was still appropriate.</p> <p>As we did not consider this to be a significant risk for the Council, we did not undertake any specific work in this area other than our normal audit procedures, including validating total revenues to council tax, non domestic rates and central government grants income.</p>
<p>Management over-ride of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We have:</p> <ul style="list-style-type: none"> • evaluated the design effectiveness of management controls over journals • analysed the journals listing and determined the criteria for selecting high risk unusual journals • tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gained an understanding of the accounting estimates and critical judgements applied and made by management and considered their reasonableness with regard to corroborative evidence • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>Our audit work to date has not identified any issues in respect of management override of controls.</p>

Significant audit risks

Risks identified in our Audit Plan	Auditor commentary
<p>Valuation of land and buildings</p> <p>The Authority re-values its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (some £1.5billion) and the sensitivity of this estimate to changes in key assumptions.</p> <p>In previous years, valuations have taken place as at 1 April each year, the start of the financial year, following discussions with management during 2018-19 the Council revised the valuation date to the year end, 31 March.</p> <p>Additionally, management will need to ensure the carrying value in the Authority's financial statements is not materially different from the current value or the fair value at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit work, we have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work evaluated the competence, capabilities and objectivity of the valuation expert discussed with the valuer the basis on which the valuation was carried out challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding in a new development for 2019-20, engaged our own valuer to assess the instructions to the Authority's valuer, the Authority's valuer's report and the assumptions that underpin the valuation tested revaluations made during the year to see if they had been input correctly into the Authority's asset register evaluated the assumptions made by management for those assets not revalued during the year and how management had satisfied themselves that these were not materially different to current value at year end considered, where the valuation date was not 31 March 2020 for assets valued in year, the arrangements management had used to ensure the valuation remains materially appropriate at 31 March 2020. <p>Whilst our audit work remains on-going, our audit work to date has not identified any issues in respect of the valuation of land and buildings except for the following matters:</p> <ul style="list-style-type: none"> the Council uses two specialist valuers, the Valuation Office Agency (VOA) for housing stock and the Council's own in-house valuer for all other assets. Both valuation reports include a material valuation uncertainty paragraph as a result of Covid-19. We consider it appropriate to include an emphasis of matter in our audit opinion relating to this material uncertainty. It is important to note that this is a national issue, applying to most local authorities with material land and building asset bases given the material valuation uncertainty as a result of Covid-19 included in the valuation reports, we have asked management to expand their existing Covid-19 disclosures in the financial statements to refer to these material uncertainties. Management has agreed to expand the existing disclosures.

Significant audit risks

Risks identified in our Audit Plan	Auditor commentary
<p>Valuation of pension fund net liability</p> <p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£471m in the Authority's balance sheet at 31 March 2019) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our work, we have:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluated the design of the associated controls • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work • assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation • assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary • undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report • obtained assurances from the auditor of the South Yorkshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. <p>Our audit work on the valuation of the pension fund net liability remains on-going. Our audit work to date has identified that the Council used the figures for its pension fund net liability of £430.3m, issued by its actuary in April 2020. The figures provided by the actuary were based on asset valuations as at 31 January 2020, uplifted for expected changes to 31 March 2020. Following audit work, we asked the Council to obtain an updated actual asset valuation as at 31 March 2020, to identify any material difference in pension fund asset values between the projected figures used by the actuary at 31 January 2020 and the actual position at the year end.</p> <p>We also asked the Council to obtain confirmation that the impact of the McCloud judgement had been included and the likely impact of the Goodwin judgement on the pension fund net liability at 31 March 2020. The Council's actuary has confirmed:</p> <ul style="list-style-type: none"> • the impact of the McCloud judgement has been included in the pension fund net liability at 31 March 2020 • the impact of the Goodwin judgement totals -£1.1m at 31 March 2020. This is an emerging national issue relating to equal survivor benefits between same and opposite sex widowers • the difference between the actuary's estimate of asset values included at 31 January 2020 and the actual outturn at 31 March 2020 is an increased liability of -£6.9m. <p>Given these differences total £8.0m, the Council has agreed to amend the financial statements.</p> <p>We also are awaiting assurance from the South Yorkshire Pension Fund auditor on the 2019/20 Pension Fund accounts. Until received, currently expected mid to late October 2020, we will be unable to complete our audit work and issue our audit opinion. Where the pension fund auditor's report refers to a material uncertainty relating to Covid-19, we will need to consider the impact on the Council's accounts and our audit report.</p>

Significant findings arising from the group audit

Component	Component auditor	Findings	Group audit impact
St Leger Homes of Doncaster Ltd (SLH)	Beever and Struthers (Manchester)	<p>We adopted a targeted approach to the statutory audit performed by Beever and Struthers focussing on classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements.</p> <p>Our work focussed on the net pension liability, total income and cost of sales which were the more significant account balances at St Leger Homes of Doncaster Ltd.</p> <p>No significant issues were identified by Beever and Struthers and an unqualified audit opinion on St Leger Homes of Doncaster was issued by Beever and Struthers on 20 July 2020.</p>	<p>Our audit work is complete except for:</p> <ul style="list-style-type: none"> • receipt of payroll reconciliations between St Leger Homes of Doncaster Ltd and Doncaster Metropolitan Borough Council • supporting information to confirm the treatment of capitalisation expenditure. <p>Subject to the satisfactory resolution of the outstanding information above, there are no issues to report from the consolidation of St Leger Homes of Doncaster Ltd into the Authority's group accounts.</p>
Doncaster Children's Service Trust (DCST)	Smith Craven (Doncaster)	<p>We adopted a targeted approach of the material balances and transactions of Doncaster Children's Service Trust's financial statements for year ended 31 March 2020.</p> <p>Our work focussed on the net pension liability, payroll, total income and cost of sales which were the more significant account balances.</p> <p>No significant issues were identified by Smith Craven and we understand an unqualified audit opinion on Doncaster Children's Service Trust is expected shortly.</p>	<p>Our audit work is complete except for:</p> <ul style="list-style-type: none"> • receipt of payroll reconciliations between DCST and the Council. <p>Our audit work on the consolidation exercise of DCST identified the following issues:</p> <ul style="list-style-type: none"> • the omission of the opening pension liability of £14.2m in the group accounts • the under recording of external income and expenditure of £4.5m • the erroneous inclusion of prior year comparatives. <p>Management has agreed to adjust the draft accounts for these issues and insert an additional note on group income and expenditure in the updated financial statements.</p>

Significant findings – key estimates and judgements

Accounting area	Summary of management's policy	Auditor commentary	Assessment
Provisions for NNDR appeals - £6.8m	The Council is responsible for repaying a proportion of successful rateable value appeals. Management calculates the level of provision required and is based upon the latest information about outstanding rates appeals provided by the Valuation Office Agency (VOA) and previous success rates. There has been an increase in provision of £1.68m during the year.	<ul style="list-style-type: none"> The underlying information used to determine the estimate appears appropriate The calculation of the NNDR provision is consistent with the approach taken last year An appropriate accounting policy is included in Note 2 of the Statement of Accounts. 	 Green
Land and Buildings – Council Housing - £655.2m	<p>The Council is required to revalue its Council housing in accordance with DCLG's Stock Valuation for Resource Accounting guidance. The guidance requires the use of beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties. The Council has engaged its valuer, Valuation Office Agency (VOA), to complete the valuation of these properties. The valuation was at 31 March 2020 and valued Council Housing at £655.2m, a net increase of £26.2m from 2018-19 (£629.0m).</p> <p>In line with RICS guidance, the Council's valuer disclosed a material uncertainty in the valuation of the Council's land and buildings at 31 March 2020 as a result of Covid-19.</p> <p>The Council has included a Covid-19 disclosure in Note 5 and following our discussions has agreed to further expand the disclosure to include reference to the valuation uncertainty.</p>	<ul style="list-style-type: none"> The Council's valuer VOA valued the entire housing stock on 31 March 2020 using the beacon methodology. This is change to the valuation date which was previously 1 April at the start of the financial year. VOA confirmed that there has been no impairment in Beacon values to 31 March 2020 There has been an increase in the housing stock valuation of £26.2m. Our review of the increase with the Gerald Eve report indicates the increase is reasonable Capital additions to Council housing total £19.1m for 2019-20 of which £16.9m have been de-recognised as a result of various factors including voids, asbestos and adaptations. There have been no impairments to Council housing during the year We have assessed the Council's valuer, Valuation Office Agency, to be competent, capable and objective We have carried out completeness and accuracy testing of the underlying information provided to the valuer used to determine the estimate and have no issues to report The valuation method remains consistent with the prior year except the valuation date has moved to the year end, 31 March 2020 providing a more accurate valuation We have agreed the HRA valuation report to the Statement of Accounts. 	 Green

Assessment

-  We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated (red)
-  We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic (amber)
-  We consider management's process is appropriate and key assumptions are neither optimistic or cautious (green)

Significant findings – key estimates and judgements

Accounting area	Summary of management’s policy	Auditor commentary	Assessment
Land and Buildings – Other - £659.2m	<p>Other land and buildings comprises £402.0m of specialised assets such as schools and libraries, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision.</p> <p>The remainder of other land and buildings (£257.2m) are not specialised in nature (such as car parks) and are required to be valued at existing use in value (EUV) at year end. The Council has engaged its in-house valuer to complete the valuation of properties as at 31 March 2020 on a five yearly cyclical basis. This is a change to the prior year when assets were valued on 1 April at the start of the financial year. Approximately 40% of total assets (by value) were revalued during 2019-20.</p> <p>In line with RICS guidance, the Council’s valuer disclosed a material uncertainty in the valuation of the Council’s land and buildings at 31 March 2020 as a result of Covid-19. The Council has included a Covid-19 disclosure in Note 5 and following our discussions has agreed to further expand the disclosure to include reference to the valuation uncertainty.</p> <p>The valuation of properties valued by the valuer has resulted in a net decrease of £56.9m. Management has also considered the year end value of non-valued properties, and the potential valuation change in the assets revalued at 31 March 2020, to determine whether there has been a material change in the total value of these properties.</p> <p>The total year end valuation of Other land and buildings was £659.2m.</p>	<ul style="list-style-type: none"> • We have assessed the Council’s in-house valuer, to be competent, capable and objective • We have carried out completeness and accuracy testing of the underlying information provided to the valuer used to determine the estimate including floor areas and have no issues to report • The valuation method remains consistent with the prior year except that the valuation has moved to the year end, 31 March 2020 • We confirm consistency of the estimate against the Gerald Eve report, and reasonableness of the increase in the estimate • We have agreed the General Fund valuation report to the Fixed Asset Register and to the Statement of Accounts. <p>The economic lives of infrastructure assets are decided when purchased and can range from 3 to 98 years. These are then not subsequently reviewed. We understand some of the revalued assets have their useful lives assessed during the revaluation exercise, but this is not documented in the valuation reports provided. The economic lives used are also different to the accounting policy which refers to 40 years.</p> <p>We recommend a regular review of asset useful lives, preferably in line with the capital programme cycle of five years. In addition, the infrastructure useful economic life accounting policy of 40 years should be updated to reflect the range actually used. This is included as a recommendation in the Action Plan.</p>	 <p>Green</p>

Significant findings – key estimates and judgements

Accounting area	Summary of management's policy	Auditor commentary	Assessment																								
Net pension liability – £430.3m	<p>The Council's net pension liability at 31 March 2020 is £430.3m (PY £471.4m) comprising the South Yorkshire Local Government Pension Scheme.</p> <p>The Council uses Mercers to provide actuarial valuations of the Council's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years. The latest full actuarial valuation was completed at 31 March 2020, utilising key assumptions such as life expectancy, discount rates, salary growth and investment returns.</p> <p>Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £41.1m net actuarial gain during 2019-20.</p>	<ul style="list-style-type: none"> We have assessed the Council's actuary, Mercers, to be competent, capable and objective We have performed additional tests in relation to accuracy of contribution figures, benefits paid, and investment returns to gain assurance over the 2019-20 roll forward calculation carried out by the actuary and have no issues to raise. We have used PwC as our auditor expert to assess the actuary and assumptions made by the actuary – see table below for our comparison of actuarial assumptions: 																									
		<table border="1"> <thead> <tr> <th>Assumption</th> <th>Actuary Value</th> <th>PwC comments</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>2.3% - 2.4%</td> <td>Assumption appears reasonable</td> <td>● Green</td> </tr> <tr> <td>Pension increase rate</td> <td>2.1%</td> <td>Assumption appears reasonable and methodology appropriate.</td> <td>● Green</td> </tr> <tr> <td>Salary growth</td> <td>1.25% - 1.5% above CPI</td> <td>In line with 2019 valuation.</td> <td>● Green</td> </tr> <tr> <td>Life expectancy – Males currently aged 45 / 65</td> <td>Pensioners: 22.4 Non-pensioners: 23.9</td> <td>Overall mortality assumptions appear reasonable.</td> <td>● Green</td> </tr> <tr> <td>Life expectancy – Females currently aged 45 / 65</td> <td>Pensioners: 25.2 Non-pensioners: 27.1</td> <td>Overall mortality assumptions appear reasonable.</td> <td>● Green</td> </tr> </tbody> </table>	Assumption	Actuary Value	PwC comments	Assessment	Discount rate	2.3% - 2.4%	Assumption appears reasonable	● Green	Pension increase rate	2.1%	Assumption appears reasonable and methodology appropriate.	● Green	Salary growth	1.25% - 1.5% above CPI	In line with 2019 valuation.	● Green	Life expectancy – Males currently aged 45 / 65	Pensioners: 22.4 Non-pensioners: 23.9	Overall mortality assumptions appear reasonable.	● Green	Life expectancy – Females currently aged 45 / 65	Pensioners: 25.2 Non-pensioners: 27.1	Overall mortality assumptions appear reasonable.	● Green	
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		<ul style="list-style-type: none"> We have confirmed the controls and processes over the completeness and accuracy of the underlying information used to determine the estimate We have confirmed there were no significant changes in 2019-20 to the valuation method. Reasonableness of estimate – following the quantification of the Goodwin judgement at 31 March 2020 (-£1.1m), and updating of the estimate of asset values from 31 January to the actual outturn at 31 March 2020 (-£6.9m), the Council has agreed to revise its estimate and increase the pension liability by £8.0m; Management has agreed to update the May 2020 IAS 19 estimate in the Statement of Accounts to reflect the impact of Goodwin (-£1.1m) and the actual valuation as at 31 March 2020 (-£6.9m). 																									

Significant findings – Going Concern

Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management’s use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity’s ability to continue as a going concern” (ISA (UK) 570).

Going concern material uncertainty disclosures

It has been a challenging year due to the Covid-19 pandemic and the impact of this has been through additional costs to support operational services, lost income through reduced trading activity and some cessation of services. In addition, council tax payments and business rates payments reduced as lock down started, businesses closed, and businesses furloughed staff. The additional costs have not had a significant impact on the financial outturn for 2019-20 as the pandemic only started to impact from mid-March, however, the scale of the impact is being felt during 2020-21 and into 2021-22. Given the sensitive nature of these disclosures, we have identified this as an area of focus in our audit.

Going concern commentary

Management’s assessment process

Management has an established process in place and prepare a detailed budget each year which is approved by Members. The budget is developed based on a number of assumptions including funding from Government, savings required to be delivered and the pressures facing the Council. To ensure effective management, the budget is broken down by service area and routinely monitored on a monthly basis with performance reported to Cabinet. Cash flow is also routinely monitored as part of the Council’s treasury management arrangements.

The Council has in place a three year Medium Term Financial Strategy 2021-22 - 2023/24 to allow it to effectively plan its finances ahead and ensure it is able to effectively manage its financial position. The updated MTFS was approved by Cabinet on 29 September 2020 and incorporates the impact of Covid-19.

In assessing its going concern position, management look ahead twelve months from its reporting date and have regard to its future cash flow position including whether current spending is in accordance with budget.

Auditor commentary

- Following its review of going concern, management has concluded it remains a going concern and it is appropriate to continue to prepare its accounts on a going concern basis
- The Council has delivered in year savings of £17.4m compared to a target of £18.8m and has managed the financial pressures faced to ensure expenditure remains within the approved budget. The Council delivered an underspend of £1.4m for 2019-20 after the use of general fund balances of £4.3m, which were offset by the release of £6.4m of earmarked reserves, increasing the overall general fund balance at the year end from £14.4m to £16.5m
- We have considered management’s assessment of going concern as a basis for compiling the financial statements. The arrangements management has in place appear appropriate
- The budget setting processes used to prepare the annual budget and the monitoring arrangements in place are considered appropriate and adequate
- The Chief Financial Officer and Assistant Director of Finance routinely monitors the Council’s financial position and reports regularly to Members
- The Covid-19 pandemic has had a considerable impact on the Council from March 2020. The additional costs have not had a significant impact on the financial outturn for 2019-20 given the pandemic started to impact from mid-March. However, the scale of impact is being felt during 2020-21. There have been significant financial challenges as the Council responded to the COVID-19 pandemic through additional costs to support operational services, lost income through reduced trading activity and some cessation of services.
- In addition, council tax payments and business rates payments have reduced as lock down began, businesses closed and businesses furloughed staff. The Council currently estimates the impact of Covid-19 for 2020-21 to be £18.2m which has been off set by underspends elsewhere of £4.9m resulting in net additional Covid-19 costs of £13.3m. The Council has received grants from Central Government of £21.8m which will be used to offset the additional Covid-19 costs for 2020-21 with the balance being carried forward into 2021-22 (where there is an expected budget gap of between £5.5m and £15.0m).
- We are awaiting receipt of detailed monthly cashflow projections from management.

Significant findings – going concern

Going concern commentary	Auditor commentary
<p>Work performed</p> <p>We considered management’s going concern assessment including the assumptions used and consideration of its Medium Term Financial Strategy.</p>	<ul style="list-style-type: none"> • Our work confirmed the management’s arrangements for assessing going concern are adequate and management’s use of the going concern basis of preparation is reasonable. • The financial impact of Covid-19 is estimated by the Council to be £18.2m for 2020-21 which has been off set by underspends elsewhere of £4.9m resulting in net additional Covid-19 costs of £13.3m. The Council has received grants from Central Government of £21.8m which will be used to offset the additional Covid-19 costs for 2020-21 with the balance being carried forward into 2021-22 (where there is an expected budget gap of between £5.5m and £15.0m). • We have not identified any material uncertainties that may cast significant doubt on the Authority’s ability to continue as a going concern for the foreseeable future • Whilst uncertainty relating to Covid-19 is referred to in the financial statements, we have suggested disclosure should be further enhanced by management specifically referring to the impact it may have on the Council’s operations. Management has agreed to further enhance its disclosure relating to Covid-19.
<p>Concluding comments</p>	<ul style="list-style-type: none"> • Management has agreed to further enhance the Covid-19 disclosure in the 2019-20 financial statements • On the basis of our work, we have concluded that the going concern assertion is appropriate for the Authority's financial statements.

Other matters for communication

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Auditor commentary
Matters in relation to fraud	We have discussed the risk of fraud with the Chief Financial Officer and Assistant Director of Finance and have also written to the Chair of the Audit Committee. We have not been made aware of any material incidents in the year and no other issues have been identified during the course of our audit.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed based on our work undertaken to date.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Council which is included at Appendix F and in the Audit Committee papers.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Council's bank (Lloyds). This permission was granted and the confirmation has been received. We also requested permission to send direct confirmations for investments held by the Council, these were issued earlier in the year and have been received.
Disclosures	Our review found no material omissions in the financial statements to date. Our work did identify a small number of presentational disclosure amendments which have been processed by management and these are set out at Appendix B.
Audit evidence and explanations / significant difficulties	All information and explanations requested from management was provided. We would like to record our thanks to the finance team in providing all the information requested remotely despite the challenges of remote working resulting from Covid-19.

Other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. However, our review of the Annual Governance Statement against the CIPFA 2016 Delivering Good Governance Framework identified that there was no reference within the Annual Governance Statement relating to 'Developing the entity's capacity, including the capability of its leadership and the individuals within it'. Management is updating the Annual Governance Statement for this omission.</p> <p>No further inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – please see our proposed audit opinion at Appendix E.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a numbers of areas:</p> <ul style="list-style-type: none"> • If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the other information of which we are aware from our audit • If we have applied any of our statutory powers or duties <p>Following the expected updating of the AGS referred to above, we have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>As the Council exceeds the specified group reporting threshold we examine and report on the consistency of the WGA consolidation pack with the Council's audited financial statements. This work is not yet commenced and will be completed once all other audit work has been concluded.</p>
Certification of the closure of the audit	<p>As a result of the need to complete the WGA work noted above, we do not expect to be able to certify the completion of the 2019-20 audit of the Council in our auditor's report, as detailed at Appendix E. This is in common with a number of local authorities where certification on closure of the audit takes place following completion of the WGA review by December 2020.</p>

3. Value for Money

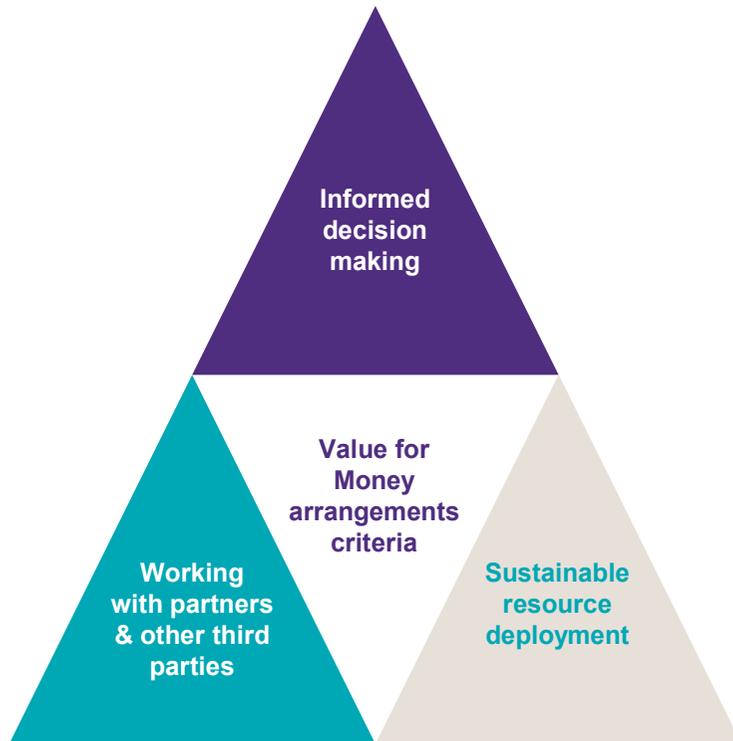
Background to our VFM approach

We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in April 2020. AGN 03 identifies one single criterion for auditors to evaluate:

“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”

This is supported by three sub-criteria, as set out below:



Risk assessment

We carried out an initial risk assessment in December 2019 and identified two significant risks in respect of specific areas of proper arrangements using the guidance contained in AGN03. We communicated these risks to you in our Audit Plan dated January 2020.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

Value for Money

Our work

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risks that we identified in the Council's arrangements. In arriving at our conclusion, our main considerations were:

1. **Financial standing** – the Authority as other authorities, continues to operate under significant financial pressures.
2. **Brexit** - the UK left the European Union on 31 January 2020 with a transition period until 31 December 2020. There will be national and local implications resulting from Brexit that will impact on the Authority, which it will need to plan for.

We have set out more detail on the risks we identified, the results of the work we performed, and the conclusions we drew from this work on pages 20 to 23.

Overall conclusion

Based on the work we performed to address the significant risks, we are satisfied that the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The text of our report, which confirms this can be found at Appendix E.

Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

Value for Money

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk per our Audit Plan (January 2020)	Findings	Conclusion
Financial Standing	<p>The Council delivered an outturn General Fund underspend for 2019-20 of £1.4m. Overall, the Council delivered underspends in the main service areas including Adult Health and Wellbeing (£0.7m), Doncaster Children's Services Trust (£1.2m), Economy and Environment (£0.7m) and Corporate Resources (£0.3m) while Children and Young People achieved a balanced year end position. This is an improvement over 2018/19 for Adult Health and Wellbeing which was overspent and results from the rebasing of the service budget. Overspends were contained to other Council wide budgets of £2.0m including £0.85m relating to the floods in November 2019 and £0.77m vired to Corporate Resources for laptop purchases relating to Covid-19 and the necessity for remote home working.</p> <p>Actual savings delivered by directorates totalled some £17.4m compared to a savings target of £18.8m for 2019-20 (a 92.6% delivery rate). This compares to the savings target in 2018/19 of £7.8m with £9.9m being achieved.</p> <p>The Council's underspend of £1.4m for 2019-20 was after the use of general fund balances of £4.3m, which were offset by the release of £6.4m of earmarked reserves, increasing the overall general fund balance at the year end from £14.4m to £16.5m.</p> <p>The Housing Revenue Account also delivered an outturn underspend of £1.4m for 2019-20 mainly due to lower management fees (£0.3m), lower bad debts (£0.9m) and general underspends in other areas of £0.1m.</p> <p>Capital spend during the year totalled £86.9m (General Fund) compared to a budget of £119.2m, the variance arose as a result of a number of high values sales expected in 2019-20 slipping into 2020-21 and delaying capital spending. Key developments during 2019-20 included the new Danum Gallery, Library and Museum (DGLAM).</p>	<p>The Council continues to operate under significant financial pressures, however, it has effective arrangements in place to routinely monitor its budget and take appropriate action to mitigate against any significant variances or additional calls on resources. This has helped deliver an underspend of £1.4m for 2019-20.</p> <p>Whilst the Council has a savings target for 2020-21 of £7m, it has a good record of delivering the savings required and considers the savings achievable.</p> <p>The impact of Covid-19 has had a significant impact on the Council from mid March 2020, with additional costs to support operational services, lost income, reduced council tax and business rates payments all impacting on the Council's financial standing. The impact of Covid-19 for 2019-20 has been limited given its impact commenced during March 2020. The impact for 2020-21 has been estimated by the Council at £18.2m which is reduced by underspends of £4.9m to £13.3m. Central Government grant support of £21.8m will meet the expected costs in 2020-21 with the balance being carried forward into 2021-22.</p> <p>The Council continues to effectively manage its financial position and expects the impact of Covid-19, whilst unexpected, to be manageable within the support received.</p>
<p>Doncaster Metropolitan Borough Council, in common with other authorities, continues to operate under significant financial pressures.</p>		
<p>For 2019-20, the Council is planning to deliver a balanced outturn position but to achieve this, needs to deliver savings of some £18.8m whilst managing cost pressures within Adults, Health and Well-Being.</p>		
<p>The Quarter 2 Finance and Performance Improvement Report, presented to Cabinet on 19 November 2019, detailing the financial performance to Month 6 (September 2019), indicated the majority of savings plans were on track to be delivered by 31 March 2020.</p>		
<p>We will continue to monitor the Authority's financial position through regular meetings with senior management and consider how the Authority manages overspends within Adults, Health and Well-Being.</p>		
<p>We will continue to assess progress in the identification and delivery of the £18.8m savings required and plans in place to identify cost improvements into 2020-21 and beyond.</p>		

Value for Money

Significant risk	Findings	Conclusion
Financial Standing continued	<p>The Council approved the 2020-21 budget on 5 March 2019, Council Tax for 2020-21 increased by 1.99% plus an additional 2% for the Adult Social Care precept, a total increase of 3.99%. The Council also received additional Social Care Support Grant of £9.6m which was unexpected (and originally not budgeted for) for 2020-21. This resulted in an overall surplus budget of £1.2m for 2020-21 and with budget savings planned of £7m, increased the surplus budget to £8.2m. This surplus was transferred to reserves to deliver a balanced budget for 2020-21.</p> <p>The Covid-19 pandemic has had a considerable impact on the Council from March 2020. Given the pandemic only started to impact from mid-March, the additional costs have not had a significant impact on the financial outturn for 2019-20. The Council delivered an outturn General Fund underspend for 2019/20 of £1.4m.</p> <p>However, the scale of impact is being felt during 2020-21. There have been significant financial challenges as the Council responded to the COVID-19 pandemic through additional costs to support operational services, lost income through reduced trading activity and some cessation of services. In addition, council tax payments and business rates payments have reduced as lock down began, businesses closed and some businesses furloughed staff.</p> <p>The Council estimates the impact of Covid-19 for 2020-21 to be £18.2m which has been off set by underspends elsewhere of £4.9m resulting in net additional Covid-19 costs of £13.3m. The Council has received grants from Central Government of £21.8m which will be used to offset the additional Covid-19 costs for 2020-21 with the balance being carried forward into 2021-22 (where there is an expected {most likely} budget gap of £13m).</p>	

Value for Money

Significant risk per our Audit Plan (January 2020)	Findings	Conclusion
<p>Brexit</p> <p>The UK is now due to leave the European Union on 31 January 2020 with a transition period until 31 December 2020. There will be national and local implications resulting from Brexit that will impact on the Authority, which the Authority will need to plan for.</p> <p>We are aware of the Authority's planning for Brexit from our consideration of the Authority's arrangements as part of our prior year VFM related work. For the current year, we will consider the Authority's on-going arrangements and plans to mitigate any risks on Brexit.</p>	<p>On 23rd June 2016, the UK voted to leave the European Union. Article 50 was triggered on 29th March 2017 and the UK formally left the EU on 31 January 2020. While the UK has agreed the terms of its EU departure, both sides are agreeing their future relationship during the transition period, which began immediately after the UK left the EU and is due to end on 31 December 2020. During this 11-month period, the UK will continue to follow all of the EU's rules and its trading relationship will remain the same.</p> <p>Since the result of the June 2016 referendum, the Council has continued to monitor developments. The first report on Brexit was presented to the Scrutiny and Overview Management Committee on 27 February 2018. This report recognised the possibility of a no deal Brexit and highlighted that planning was underway for a range of possible scenarios relating to an EU Exit.</p> <p>It also confirmed a multi-agency approach through the South Yorkshire Local Resilience Forum (LRF), a multiagency partnership which brings together the local organisations needed to plan and prepare for major emergencies in the county. This included all the local authorities and blue light services in the region, who had been working together for the last few months to understand the consequences of an EU Exit, including a possible No Deal EU exit and preparing contingency plans.</p> <p>A report to Cabinet on 7 May 2019 provided an update on the Council's preparations for Brexit and set out to:</p> <ul style="list-style-type: none"> • provide dedicated support to businesses using the Government funding received to both mitigate any negative impacts of Brexit and take advantages of opportunities (for example to increase exports); • establish a flexible Contingency Fund to allow Doncaster to address the challenges created by Brexit as they emerge. 	<p>The Council has continued to monitor Brexit developments following the referendum in June 2016 and has continued to liaise with neighbouring authorities and other agencies to ensure a co-ordinated approach to an EU exit through the South Yorkshire Local Resilience Forum.</p> <p>The Council recognises Brexit may impact on local businesses and set up a £325,000 fund to support the challenges faced as they arise. It has also set up a dedicated page on Brexit on its website to support both individuals and businesses.</p> <p>The Council continues to monitor developments and liaise with its partners to ensure it remains prepared for Brexit on 31 December 2020.</p> <p>The Council has appropriate arrangements in place for managing both the local and national implications resulting from Brexit. However, whilst officers continue to manage and assess Brexit preparations on a monthly basis, the last formal public report to members was in May 2019 (to Cabinet). There is a need to formally update members on Brexit preparations on a regular basis. We have raised a recommendation in this regard.</p> <p>We will continue to monitor the Council's plans to manage Brexit as part of our 2020-21 audit.</p>

Value for Money

Significant risk	Findings	Conclusion
<p>Brexit continued</p>	<p>Since this report to Cabinet in May 2019, we understand regular updates on Brexit have been provided to members at the Executive Board.</p> <p>The South Yorkshire Local Resilience Forum has continued to meet on a regular basis and has been the main forum for the Council for planning for a national No Deal Brexit. There is also a Local Resilience Forum multiagency Brexit planning group in place which has assessed the potential future risks for South Yorkshire from a No Deal Brexit based on the range of potential impacts as listed on the GOV.UK website. Areas considered include transport infrastructure, energy needs (gas, electricity, petrol, diesel), food and water requirements, health and social care provision, community tensions and the economic impact on businesses. Based on this continuing work, there are multiagency contingency plans in place which continue to be monitored and reviewed.</p> <p>Within the Council, the majority of the work to prepare for Brexit has been undertaken by the existing teams based within the Corporate Services and Regeneration Directorates. There is also recognition that should an emergency situation arise, Council officers may need to be temporarily redeployed as part of response and recovery arrangements.</p> <p>The Council has set up a dedicated page on Brexit on its website providing information to support residents and businesses.</p>	

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are included at Appendix D

Audit and Non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The following non-audit services were identified.

	Fees £	Threats identified	Safeguards
Audit related:			
Certification of Housing Benefits Subsidy return	*£19,000 base fee	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £19,000 base fee in comparison to the total fee for the audit of £149,280 and in particular relative to Grant Thornton UK LLP's turnover overall. These factors all mitigate the perceived self-interest threat to an acceptable level.
Non-audit related:			
None	-	-	-

NOTE:

* The £19,000 is the base fee for Housing Benefit Subsidy certification plus for each 40+ testing undertaken:

£2,000 – where the work is completed by the Council

£4,200 – where the work is undertaken by Grant Thornton

Appendix A: Action Plan

We have identified the following recommendations for the Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2020-21 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
<p>●</p> <p>High</p>	<p>Group accounts consolidation</p> <p>Our audit work on the consolidation exercise identified the omission of the opening pension liability of £14.2m in the group accounts, the under recording of external income and expenditure of £4.5m and the erroneous inclusion of prior year comparatives</p>	<p>Management should introduce a formal process to review the group consolidation exercise once completed and ensure appropriate disclosures have been made, including appropriate group notes and prior year comparatives. This exercise should be undertaken each year.</p> <p>Management response</p> <p>Agreed. We are updating the draft accounts to correct for these errors and have added additional disclosure notes for both income and expenditure. All prior year comparatives relating to the Children's Trust have been removed. A formal review process will be introduced from 2020-21.</p>
<p>●</p> <p>Medium</p>	<p>Economic lives – Infrastructure assets</p> <p>The economic lives of infrastructure assets are decided when purchased and can range from 3 to 98 years. The economic lives used are different to the accounting policy which refers to 40 years.</p>	<p>The infrastructure useful economic life accounting policy of 40 years should be updated to reflect the range actually used.</p> <p>Management response</p> <p>Agreed. This will be introduced from 2020/21.</p>
<p>●</p> <p>Medium</p> <p>Page 99</p>	<p>Brexit</p> <p>Officers continue to manage and assess Brexit preparations on a monthly basis. However, the last formal public report to members was in May 2019 to Cabinet.</p>	<p>There is a need to formally update members on Brexit preparations and the on-going impact of Brexit going forward.</p> <p>Management response</p> <p>We continue to provide regular updates on Brexit to directors and members at the Executive Board. We will continue with this arrangement whilst the situation is unknown and will include formal updates in the quarterly finance & performance improvement reports going forward.</p>

Appendix B: Follow up of prior year recommendations

We identified the following issues in the audit of the Council's 2018-19 financial statements, which resulted in three recommendations being reported in our 2018-19 Audit Findings (ISA260) Report. We are pleased to report that management have implemented all of our recommendations.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	The valuation of the Council's housing stock had not been updated to reflect the increase in valuation from 1 April 2018 to 31 March 2019. There is a risk that asset values are not correctly recorded in the financial statements.	Management has changed the valuation date to the year end, 31 March. This now avoids the need to update the valuation to the year end.
✓	The valuation of the CAST Theatre had been carried in the Council's accounts for five years at an inflated value resulting from a failure to recognise a lease had been granted at a peppercorn rent. There is a risk that asset values are not correctly recorded in the financial statements.	A comprehensive review of the Council's commercial lease portfolio has been undertaken in 2019-20. Any new leases granted are subject to a formal assessment at the point of completion to ensure the correct carrying value.
✓	Capital additions to Council housing included spending which added no value requiring an additional impairment. There is a risk that assets are carried at the year end in the financial statements at an inappropriate valuation.	A formal process was introduced for Financial Management and Strategic Asset Management as part of the Asset Valuation process to capture capital additions. All additions are subject to review and where relevant Asset Valuations undertaken to reflect in year changes.

Assessment:

✓ Action completed

X Not yet addressed

Appendix C: Audit adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2020.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £'000	Impact on Useable Reserves £'000
Pension fund liability			
(1) Updating pension fund valuation to 31 March 2020: a net increase in the liability	6,900 (Actuarial loss)	6,900 (increase to liability)	0
(2) Impact of Goodwin judgement: resulting in an increase in the liability	1,100 (Actuarial loss)	1,100 (increase to liability)	0
Group consolidation – Doncaster Children’s Services Trust			
(1) Omission of the opening pension liability in the group accounts	14,152 (Actuarial loss)	14,152 (increase to liability)	0
(2) Under recording of both income and expenditure in the group accounts	4,500	0	0
(3) The erroneous inclusion of prior year comparatives.	Various	Various	0
Overall impact:	26,652	22,152	No impact

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Detail	Auditor recommendations	Adjusted?
Group Pension disclosure (Page 97)	Pension liability should be updated to £502,841k.	The Pension liability should be updated to £502,841k. Management response Now updated	✓
Material Uncertainty disclosure (Page 37)	The Council's valuer disclosed a material uncertainty in the valuation of the Council's land and buildings at 31 March 2020 as a result of Covid-19. The Council has included a general Covid-19 disclosure in Note 5 which does not refer to the material uncertainty.	The Council should expand its general Covid-19 disclosure in Note 5 which should also refer to the material uncertainty relating to land and buildings valuation. Management response Agreed. We will further expand this disclosure to include reference to the valuation uncertainty relating to land and buildings.	✓
Group CIES (Page 87)	The current year deficit should be £777,604k rather than £773,908k.	The Group CIES deficit should be £777,604k rather than £773,908k Management response Now corrected and updated.	✓
PFI liabilities (Page 53)	PFI liabilities have the same current values as the fair value.	The PFI liabilities should be reviewed as they are normally different to their fair values. Management response To be considered for the 2020/21 accounts process.	X

Audit adjustments

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2019/20 audit which have not been made within the final set of financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below:

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Reason for not adjusting
NONE	-	-	-	
Overall impact	£0	£0	£0	

Appendix D: Fees

We confirm below our final fees charged for the audit and provision of non-audit services.

Audit fees	Proposed fee per Audit Plan £	Final fee £
Council Audit	149,280	TBC+
Total audit fees (excluding VAT)	149,280	TBC

+ To confirm additional inputs relating to the impact of Covid-19 and additional work on group consolidation.

Total audit fees reconcile to the financial statements as follows:

Total fees per financial statements (Note 31)	£189k
Less - additional fees relating to 2018-19 billed in 2019-20	£7k
Less - certification fees relating to 2018-19 billed in 2019-20	£33k
TOTAL Audit fees 2019-20	£149k

Non-audit fees for other services	Proposed fee £	Final fee £
Audit Related Services:		
Housing Benefit Subsidy return 2019-20	19,000*	TBC
Non-Audit Related Services:		
None	-	-
Total non- audit fees (excluding VAT)	19,000*	TBC

NOTE:

* The £19,000 is the base fee for Housing Benefit Subsidy certification plus for each 40+ testing undertaken:

£2,200 – where the work is completed by the Council

£4,200 – where the work is undertaken by Grant Thornton

Appendix E: Draft Audit Opinion

We anticipate we will provide an unqualified audit report with an Emphasis of Matter paragraph, relating to the material uncertainty around the valuation of land and buildings as a direct impact of Covid-19.

TO BE CONFIRMED

Page 104

Audit opinion

TO BE CONFIRMED

Page 105

Appendix F: Management letter of representation (draft)

LETTER TO BE PRINTED ON CLIENT HEADED PAPER

Our ref:
Your ref: PSS

Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds LS1 4BN

19 October 2020

Dear Sirs

Doncaster Metropolitan Borough Council Financial Statements for the year ended 31 March 2020

This representation letter is provided in connection with the audit of the financial statements of Doncaster Metropolitan Borough Council and its subsidiary undertakings, St Leger Homes of Doncaster Ltd (SLH) and Doncaster Children's Services Trust (DCST) for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the Council and group financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- Page 106
- i. We have fulfilled our responsibilities for the preparation of the Council and group's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
 - ii. We have complied with the requirements of all statutory directions affecting the Council and group and these matters have been appropriately reflected and disclosed in the financial statements.

- iii. The Council has complied with all aspects of contractual agreements that could have a material effect on the group and Council financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the Council and group financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the Council [and group] has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.

- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Council and group financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Council and its financial position at the year. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. We have updated our going concern assessment and cashflow forecasts in light of the Covid-19 pandemic. We continue to believe that the Council and group's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council and group's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xv. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the Council and group's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Council via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the Covid-19 pandemic from whom you determined it necessary to obtain audit evidence.
- xvi. We have communicated to you all deficiencies in internal control of which management is aware.

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- xvii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and group, and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xx. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxi. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii. We have disclosed to you the identity of the Council and group's related parties and all the related party relationships and transactions of which we are aware.
- xxiii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxiv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxv. The disclosures within the Narrative Report fairly reflect our understanding of the Council and group's financial and operating performance over the period covered by the financial statements.

Approval

The approval of this letter of representation was minuted by the Council's Audit Committee at its meeting on 19 October 2020.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Council



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Doncaster
Council

APPENDIX B

Local Code of Corporate Governance 2020-21

**A guide to Doncaster Council's compliance with the
Seven Principles of Corporate Governance**



Introduction

The local code of corporate governance sets out clearly and concisely our intent and commitment to having good governance arrangements. The code provides information about the standards by which the Council is governed.

Doncaster Council operates under the Mayoral governance model, which means the Council has an elected Mayor who is personally responsible for making decisions on a very wide range of issues within the Borough, from education to roads, social care to housing to leisure. The Council has 55 elected councillors from 21 wards whose role it is to make key decisions (e.g. agreeing the budget) within which the Mayor operates. They also carry out regulatory functions – e.g., planning, licensing and overview and scrutiny functions, which assist and challenge the Mayor in making policy decisions as well as scrutinising some decisions made by the Mayor.

The Importance of Good Governance

Doncaster Council operates through a governance framework which brings together the complex layers of regulatory and statutory requirements that exist upon local authorities, with good governance principles and management processes.

Delivering Good Governance in Local Government Framework, published by CIPFA¹ in association with SOLACE², sets the standard for local authority governance in the UK. The purpose of the framework is to assist authorities in reviewing and accounting for their own unique approach, with the overall aim to ensure that:

- Resources are directed in accordance with agreed policies and according to priorities
- There is sound and inclusive decision making
- There is clear accountability for the use of resources in order to achieve desired outcomes for service users and communities

The Framework positions the attainment of sustainable economic, social, and environmental outcomes as a key focus of governance processes and structures.

Outcomes give the role of local government its meaning and importance, and it is fitting that they have this central role in the Framework. Furthermore, the focus within the framework on sustainability and the links between governance and public financial management are crucial – local authorities must recognise the need to focus on the long term. Local authorities have responsibilities that go beyond the current electorate as they must take account of the impact of current decisions and actions on future generations.

¹ The Chartered Institute of Public Finance and Accountancy

² Society of Local Authority Chief Executives and Senior Managers

How It Works In Doncaster

The Council has a Local Code of Corporate Governance, which is underpinned by the *Delivering Good Governance in Local Government*; Framework and is comprised of policies, procedures, behaviours and values by which the Council is controlled and governed.

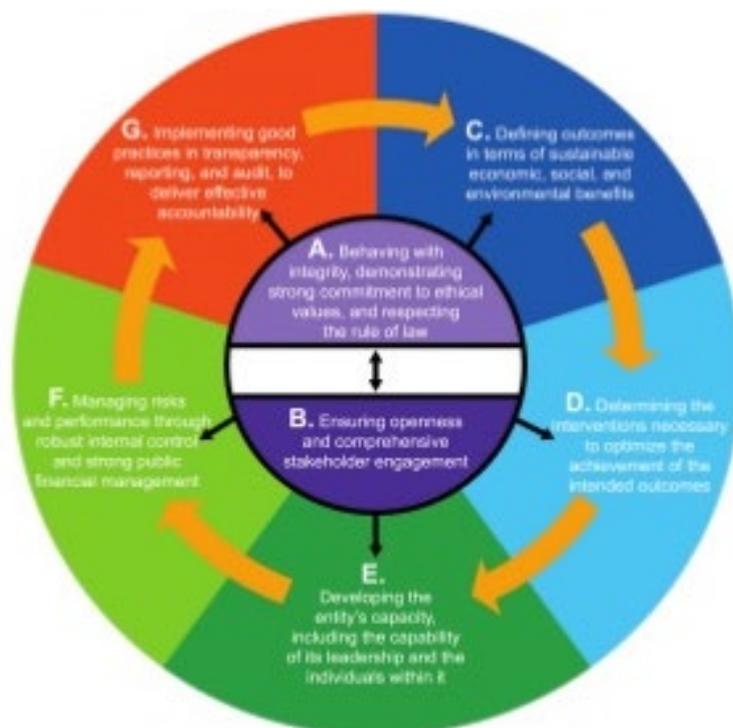
The Council recognises that good governance leads to good management, good performance, good stewardship of public funds, good public engagement and to good outcomes for citizens and service users. Failure to deliver this undermines the confidence of the public in our ability to fairly and effectively deliver services and lead in community matters.

Good corporate governance requires the Council to be open, transparent, effective, inclusive of all sectors of the community, accountable to the public it serves and to demonstrate integrity.

Good Governance Principles

The *Delivering Good Governance in Local Government* Framework, sets out seven core principles of governance as detailed in the diagram below. Doncaster Council is committed to these principles of good governance and confirms this through the adoption, monitoring and development of this document - the Council's Local Code of Corporate Governance.

– *Delivering Good Governance in Local Government Framework 2016 Edition*



These principles underpin the governance of each local government organisation. They provide a structure to help individual authorities with their approach to governance. Authorities should test their governance structures and partnerships against the principles contained in the framework by:

- Reviewing existing governance arrangements
- Developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness
- Reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.

To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the seven core and sub-principles contained in this framework.

The following pages show the details of how the Council meets the seven principles and highlights some of the evidence available to demonstrate good governance.

At the end of each year, in its Annual Governance Statement, the Council will identify the outcomes achieved through the application of good governance standards.

Monitoring and Review

The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date.

On an annual basis, the Mayor and the Chief Executive of the Council will sign an Annual Governance Statement which will:

- Assess how the Council has complied with this Code of Corporate Governance
- Provide an opinion on the effectiveness of the Council's arrangements
- Highlight areas of significant weakness and provide details of how continual improvement in the systems of governance will be achieved.

PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

SUMMARY: Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Actions	Evidence
SUB PRINCIPLE: Behaving with Integrity	
<ul style="list-style-type: none"> • Ensuring members and officer behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated • Leading by example and using these standard operating principles or values as a framework for decision making and other actions • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively 	<ul style="list-style-type: none"> • Code of conduct (Members, Employees and Volunteers) • Dignity at work policy • Team Doncaster Charter • Whistle Blowing Policy • Constitution • Performance and Development reviews • Monitoring Officer Report
SUB PRINCIPLE: Demonstrating Strong Commitment to Ethical Values	
<ul style="list-style-type: none"> • Seeking to establish, monitor and maintain the organisation’s ethical standards and performance • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation • Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation 	<ul style="list-style-type: none"> • Corporate Plan • Equality and Inclusion Plan • Dignity at work policy • Workplace induction framework • Declarations of Interest • Ethical standard of behaviour • Workforce Strategy • Bribery ethical clauses in procurement exercises / contracts • Codes of conduct (Members, officers, volunteers,)
SUB PRINCIPLE: Respecting the Rule of Law	
<ul style="list-style-type: none"> • Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations • Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements • Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders • Dealing with breaches of legal and regulatory provisions effectively • Ensuring corruption and misuse of power are dealt with effectively 	<ul style="list-style-type: none"> • Legal (Monitoring) Officer Role • Internal Audit • External Audit • Overview and Scrutiny arrangements • Corporate Complaints procedure • Anti-Fraud and Corruption Policy • Information Governance Officer

PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement

SUMMARY: Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Actions	Evidence
SUB PRINCIPLE: Openness	
<ul style="list-style-type: none"> • Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action 	<ul style="list-style-type: none"> • Corporate Plan • Forward plan • Doncaster Council website • Publication scheme • Overview and Scrutiny arrangement • Consultation arrangements • Transparency agenda • Corporate report format • Public Sector Equality Duty • Public attendance at meetings e.g. council meeting etc. • Officer decision records
SUB PRINCIPLE: Engaging Comprehensively with Institutional Stakeholders	
<ul style="list-style-type: none"> • Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • Ensuring that partnerships are based on: <ul style="list-style-type: none"> - trust - a shared commitment to change - a culture that promotes and accepts challenge among partners • and that the added value of partnership working is explicit 	<ul style="list-style-type: none"> • Consultation arrangement • Council Website • Team Doncaster partnership boards • Safeguarding Adults Board • Safeguarding Children’s Board • Borough Strategy • Partnership governance arrangements • Monitoring arrangements for Doncaster Children’s Services Trust and St Leger Homes Doncaster
SUB PRINCIPLE: Engaging Stakeholders Effectively, Including Individual Citizens and Service Users	
<ul style="list-style-type: none"> • Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes • Ensuring that communication methods are effective. Members and officers are clear about their roles with regard to community engagement • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs • Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • Taking account of the impact of decisions on future generations of tax payers and service users 	<ul style="list-style-type: none"> • Borough Strategy • Corporate plan • Council Website • Council Chamber – Meetings, Minutes Agendas • Overview and Scrutiny Committees • Team Doncaster • Doncaster Talks Consultations <p style="text-align: right;">Page 116</p>

PRINCIPLE C: Defining outcomes in terms of sustainable economic, social and environmental benefits

SUMMARY: The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Actions	Evidence
SUB PRINCIPLE: Defining Outcomes	
<ul style="list-style-type: none"> • Having a clear vision, which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions • Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer • Delivering defined outcomes on a sustainable basis within the resources that will be available • Identifying and managing risks to the achievement of outcomes • Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available 	<ul style="list-style-type: none"> • Borough Strategy • Corporate Plan • Mayors Pledges • Risk Management Framework • Housing Strategy • Economic Strategy • Donaster Climate Change Comission • Corporate Report template • Forward Plan • Equalities, Diversity and Inclusion Framework • Budget setting process • Medium term financial strategy • Finance & Performance Quarterly Report • Data Protection Privacy Notices
SUB PRINCIPLE: Sustainable Economic, Social and Environmental Benefits	
<ul style="list-style-type: none"> • Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision • Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation’s intended outcomes and short-term factors such as the political cycle or financial constraints • Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs • Ensuring fair access to services 	<ul style="list-style-type: none"> • Corporate plan • Doncaster Health and Wellbeing Strategy • Budget setting process • Local Plan • Medium Term Financial Plan • Community Safety Strategy • Equalities, Diversity and Inclusion Framework • Public Health Annual report

PRINCIPLE D: Determining the interventions necessary to optimise the achievement of the intended outcomes

SUMMARY: Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Actions	Evidence
SUB PRINCIPLE: Determining Intervention	
<ul style="list-style-type: none"> Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts 	<ul style="list-style-type: none"> Consultation arrangements Council Website Overview and Scrutiny function Corporate report template (Implications elements) Officer decision records Transparency Act disclosures
SUB PRINCIPLE: Planning Interventions	
<ul style="list-style-type: none"> Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered Considering and monitoring risks facing each partner when working collaboratively, including shared risks Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured Ensuring capacity exists to generate the information required to review service quality regularly Preparing budgets in accordance with objectives, strategies and the medium term financial plan Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy 	<ul style="list-style-type: none"> Corporate Plan Service Plans Quarterly Finance and Performance Reports (Includes Strategic Risks) Medium Term Financial Plan Contact Monitoring External Audits Forward Plan Data protection impact assessments (If use of personal information) Partnership Governance Arrangements
SUB PRINCIPLE: Optimising Achievement of Intended Outcomes	
<ul style="list-style-type: none"> Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage Ensuring the achievement of 'social value' through service planning and commissioning 	<ul style="list-style-type: none"> Medium Term Financial Plan Quarterly Finance and Performance Reports (Includes Strategic Risks) Procurement/ Contact Monitoring Value for Money conclusion/ Annual Audit letter

PRINCIPLE E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it

SUMMARY: Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities

Actions	Evidence
SUB PRINCIPLE: Developing the Entity’s Capacity	
<ul style="list-style-type: none"> • Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently • Recognising the benefits of partnerships and collaborative working where added value can be achieved • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources 	<ul style="list-style-type: none"> • Benchmarking • Performance and Development Reviews • Annual Corporate plan refresh • Service Plans • Team Doncaster charter • Workforce Strategy
SUB PRINCIPLE: Developing the Capability of the Entity’s Leadership and Other Individuals	
<ul style="list-style-type: none"> • Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body • Ensuring the Mayor and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other’s authority • Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external • Ensuring that there are structures in place to encourage public participation • Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections • Holding staff to account through regular performance reviews which take account of training or development needs • Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing 	<ul style="list-style-type: none"> • Council Constitution • Performance and Development Reviews • Recruitment and Selection Policies • Code of conduct (Members and Employees) • Member and officer protocols • Scheme of delegated decision • Leadership and Management Development Framework • Member and officer training including E-learning

PRINCIPLE F: Managing risks and performance through robust internal control and strong public financial management

SUMMARY: Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Actions	Evidence
SUB PRINCIPLE: Managing Risk	
<ul style="list-style-type: none"> • Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively • Ensuring that responsibilities for managing individual risks are clearly allocated 	<ul style="list-style-type: none"> • Risk Management Framework • Strategic Risk Register • Service Plans • Quarterly Finance and Performance Reports (Includes Strategic Risks) • Corporate Report Format
SUB PRINCIPLE: Managing Performance	
<ul style="list-style-type: none"> • Monitoring service delivery effectively including planning, specification, execution and independent post implementation review • Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook • Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (Or, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements) 	<ul style="list-style-type: none"> • Quarterly Finance and Performance Reports (Includes Strategic Risks) • Council constitution • Scheme of delegated decision making • Corporate report format • Contract Monitoring • Corporate report template (implications elements) • Overview and Scrutiny function

Actions	Evidence
SUB PRINCIPLE: Robust Internal Controls	
<ul style="list-style-type: none"> • Evaluating and monitoring risk management and internal control on a regular basis • Ensuring effective counter fraud and anti-corruption arrangements are in place • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> -provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment -that its recommendations are listened to and acted upon 	<ul style="list-style-type: none"> • Risk Management Framework • Strategic Risk Register • Service Plans • Anti-Fraud, Bribery and Corruption Policy • Annual Fraud Report including Fraud Risk Register • Head of Internal Audit Annual Report and progress reports • Audit Committee prospectus, terms of reference and work programme • Audit Committee Annual Report
SUB PRINCIPLE: Managing Data	
<ul style="list-style-type: none"> • Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies • Reviewing and auditing regularly the quality and accuracy of data used in decision 	<ul style="list-style-type: none"> • ICT Acceptable usage Policy • Data Protection • Publication scheme • Senior Information Risk Owner (SIRO) Board • Information and Records Management Policy • Information Asset Register • Information Management Strategy • Data Retention and Disposal Policy
SUB PRINCIPLE: Strong Public Financial Management	
<ul style="list-style-type: none"> • Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance • Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls 	<ul style="list-style-type: none"> • Medium Term Financial Plan • Quarterly Finance and Performance Reports (Includes Strategic Risks) • Procurement?? • Value for Money conclusion/ Annual Audit letter

PRINCIPLE G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

SUMMARY: Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Actions	Evidence
SUB PRINCIPLE: Implementing Good Practice In Transparency	
<ul style="list-style-type: none"> • Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand 	<ul style="list-style-type: none"> • Transparency Code • Council Website • Corporate report format • Communication protocols • Freedom of information protocols
SUB PRINCIPLE: Implementing Good Practices In Reporting	
<ul style="list-style-type: none"> • Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensuring members and senior management own the results reported • Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement) • Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations 	<ul style="list-style-type: none"> • Annual Governance Statement • Statement of Accounts • Local code of corporate governance • External Auditor Value for Money conclusion/ Annual Audit letter
• SUB PRINCIPLE: Assurance And Effective Accountability	
<ul style="list-style-type: none"> • Ensuring that recommendations for corrective action made by external audit are acted upon • Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon • Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations • Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement • Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met 	<ul style="list-style-type: none"> • Internal Audit Strategy and Charter • External Audit Annual Audit Letter • Head of Internal Audit Annual report • LGA Peer Reviews • Regular inspections (OFSTED, Care Quality Commission etc) • Annual Governance Statement • Audit Committee • Partnership Governance Arrangements

Further Information

This local code of corporate governance is intended as a summary statement of commitment to good governance in Doncaster Council.

It does not contain every bit of detail about how the council is governed. If you want to look further at how this takes place, you are very welcome to do so.

Details can be found on the Council's website or for staff and elected members, on the Council's intranet site

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ANNUAL GOVERNANCE STATEMENT 2019/20



Scope of responsibility

Doncaster Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, we are responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Doncaster Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework '*Delivering Good Governance in Local Government*'. A copy of the Doncaster Council's Corporate Code of Governance is on our website at www.doncaster.gov.uk or can be obtained from The Strategy & Performance Unit, 01302 862533.

This statement explains how we have complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

The purpose of the governance framework

The governance framework comprises of systems and processes, culture and values by which we are directed and controlled and our activities through which we account to, engage with and lead our communities. It enables us to monitor the achievements of our strategic objectives and to consider whether those objectives have led us to delivery appropriate services that are value for money.

The system of internal control is a significant part of our framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. Our system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of our policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

Whilst the AGS consider the period 1st April 2019 to 31st March 2020, it must also reflect any significant events or developments relating to the governance system that occur between the year-end and the date on which the Statement of Accounts are signed off which will not be until October 2020. The COVID-19 situation is clearly a significant event for this Council and a challenge on its governance arrangements. However our governance arrangements appear to have held strong during the response period.

Our Governance Framework

The Councils executive arrangements and the oversight of the council's functions ensures strong political and strategic leadership. We have a clearly visible golden thread linking our Borough Strategy priorities into our corporate and services plan as well as our performance development review process. Where necessary induction arrangements include tailored introductions to the council's structure, decision making arrangements for officers who are new to the council or the Senior Leadership Team as well as information on key policies and procedures.

Audit Committee

Our Audit Committee is a key component of Doncaster Council's Corporate Governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of our Audit Committee is to provide independent assurance to the Members on the adequacy of the risk management framework and the internal control environment. It provides an independent review of Doncaster Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

The Committee has a programme of work in place to ensure it fulfils its responsibilities. The Committee has overseen and supported positive progress in a number of areas during the year, including:

- Helping to maintain and improve the Council's system of risk, governance and 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;
- Critically assessing the Council's governance arrangements and supporting the production of an accurate Annual Governance Statement;
- Supporting the maintenance of the good standards achieved in producing the Council's Statement of Accounts;
- Supporting the Council's antifraud, bribery and corruption arrangements and noting progress in this area as set out in the annual fraud report;
- Ensuring the Council's surveillance policies are kept up to date and reviewing surveillance carried out by the Council;
- Recognising the further improvements in Adults Services

The Audit Committee produces an Annual Report which is available [doncaster.gov.uk](https://www.doncaster.gov.uk)

Governance Group

The Group which is chaired by the Monitoring Officer leads on the development of governance arrangements at the Council and ensures the Council complies with best practice guidance issued by CIPFA / SOLACE and any other sector-leading advice.

Role of Internal and External Audit

The council has both internal and external auditors. Internal Audit and External Audit aim to coordinate their work to get best value from the resources in use and to do this aim to work closely together to achieve our objectives.

The role of Internal Audit is to:

- give independent assurance over the Council's risk, governance and control arrangements
- alert managers to areas of potential weakness and to make recommendations for improvements
- give unbiased professional advice on policies, procedures, practices and systems

All councils are subject to ongoing scrutiny by External Audit and their role is to:

- give an opinion on the Council and group's financial statements
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion)
- audit specified grant claims required for various Government Departments

Grant Thornton were appointed as External Auditors to the Council for the 2018/19 audit onwards and in their first annual report, presented to Audit Committee in July 2019 they gave an "unqualified audit opinion" on the Council's financial statements for 2018/19 and an unqualified Value for Money (VFM) conclusion for 2018/19. This is consistent with the opinions provided by the Council's previous external auditors, KPMG. Internal Audit were able to provide a positive opinion in their annual report for 2019/20, which alongside the good VFM conclusion, indicates there are sound risk, governance and control arrangements in place.

Overall, the Grant Thornton annual report was an extremely positive one as it has been in previous years and with the "unqualified audit opinion", recognised the further improvements that have been made by the Council in preparing the Statement of Accounts for audit. The quality of the working papers and the supporting information has improved year-on-year with the working papers, once again, meeting the standards specified in the Accounts Audit Protocol with a clear audit trail provided and responses to audit queries were provided in a timely manner. Audit trail provided and responses to audit queries were provided in a timely manner.

The 2019/20 audit commenced in July 2020 and Grant Thornton will present their annual report to Audit Committee in October 2020.

Our Approach to Risk Management

Doncaster Council recognises that risk management is an integral part of good governance and management practice.

Managing our risks effectively contributes to the delivery of the strategic and operational objectives of the authority. Doncaster Council manages risks via a Risk Management Framework that has been designed to provide structure and guidance to support our organisation, and the individuals within it, to take positive risks in an informed way.

Review of effectiveness

Doncaster Council has responsibility for conducting, at least annually, a review of the Effectiveness of its governance framework including the system of internal control. The Strategy and Performance Unit led the Annual Governance review.

The review of effectiveness is derived from two perspective, corporate and service areas. The corporate perspective is taken from existing intelligence proved by colleagues holding key governance position within the authority including the Head of Internal Audit, the Caldicott Guardian, Senior information Risk Owner, Section 151 Officer and the

Monitoring Officer. The current strategic risk register and complaints received are also reviewed. The service area perspective is provided by each Head of Service via a series of governance statements in the form of a self-assessment.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Executive Board and Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined on the following pages.

Significant governance issues identified in 2019-20

Whilst we are satisfied with the effectiveness of corporate governance arrangements and systems of internal control, as part of our continued efforts to improve governance the following new issues have been identified for improvement as part of the 2019-20 Annual Governance Statement process:

ISSUE: Assurance over Financial Resilience and Service Sustainability in response to COVID 19

Whilst the Council's governance arrangements currently appear to have held strong during the COVID-19 response period, our financial position is exposed and dependent upon central government fully reimbursing it for the cost.

Actions:

Short horizon

We are monitoring COVID related cost pressures separately from routine council business. This approach will provide will provide a degree of separation and additional attention being applied to these unique circumstances. Operational managers have been provided with instructions on the reporting arrangements and budgetary control. Quarter 1 finance and performance report approves the transfer of additional resources to operational managers to manage these in year pressures. We are currently reporting a balanced budget in 2020/21.

Medium Term Horizon

Monthly MHCLG returns are being completed and this providing the evidence base for additional resources to be provided.

The long term financial implications arising from business failure and increased numbers of redundancies is of concern. We are using nationally available data to model these scenarios and feed into our Medium Term Financial Plan refresh in September 2020.

Additional savings are anticipated to achieve a balanced budget over the next 3 years and operational manager are currently engaged in developing strategies and formulating plans in readiness for Budget Council in March 21.

Responsible Officer:

Debbie Hogg – Director of Corporate Resources

Completion

Date:

March 2021

ISSUE: Governance Functions	
An improvement area has been identified around knowledge and understanding of various key governance policies and procedures that are in place to help support senior managers with their roles and responsibilities E.g. Financial Procedures Rules and Corporate Procurement Strategy.	
Actions: A series of training sessions will be developed and rolled out for all senior staff (down to Head of service) to attend / complete via e-learning to improve awareness of key governance policies, procedures and arrangements that are in place to support senior managers Responsible Officer: Scott Fawcus - Assistant Director Legal & Democratic Services	Completion Date: March 2021

ISSUE: Data Quality Arrangements within the Assistive Technology Service	
<ul style="list-style-type: none"> • Continue to maintain daily assurance arrangements to ensure that each call has been dealt with and responded correctly, according to established procedures. • New charging protocols rollout, planned to commence in April 20 • Data cleansing exercise to be completed as part of the rollout of the new charging protocols • Managing new contract arrangements to be issued to new service users from April 20 • Ensure vulnerable service users are taking correct decisions relating to their new contract arrangements from April 20 	
Actions: <ul style="list-style-type: none"> • Maintain current daily assurance arrangements during implementation and post implementation phase of ARC/ HEART review • Introduce phased approach to implementation from April 20 to November 20, including a data cleansing exercise and issuing new contracts with a dedicated resource team. • Ensure the cohort of vulnerable service users are identified and a strengths based conversation takes place to ensure their best interests are maintained prior to variation or cancellation of the service. Responsible Officer: Carolyn Nice - Assistant Director Adult Social Care	Completion Date: November 2020

An update on Key Improvement Areas that were previously identified and remain an issue in 2019-20

ISSUE: Adult Social Care Market Sustainability

The potential impacts of this fragile market includes:

- Provider failure and associated disruption of care for people of Doncaster
- Lack of investment from providers to develop services and innovate together with potential contraction of existing offer
- Restricted choice of services and the providers of services for people of Doncaster

Actions:

- Continue to support the market to make informed commercial and service planning decisions in order to stimulate a sustainable, diverse social care market to meet the current and future needs of the people of Doncaster. This will be primarily delivered through updating and reviewing the impact of published (April 2020) 'Market Position Statement'
- Implement year two of the 2019-2021 Joint Health and Social Care Commissioning
- Progress The establishment of a Voluntary Community and Faith (VCF) Sector Cooperative to provide strong voice and representation, infrastructure support and a point of access for commissioning/partnership working.
- Develop a locality approach to commissioning of services as part of the 'One Council' Locality Working Programme
- Develop and maintain an ongoing awareness of local business environment for providers, providers business models and other intelligence to inform commissioning actions
- Ongoing engagement with providers through partnership arrangements, contract management and contract monitoring activity to maintain oversight of the social care market in Doncaster

Responsible Officers:

Phil Holmes – Director of Adults, Health & Wellbeing

Rupert Suckling – Director of Public Health

Completion

Date:

March 2021

ISSUE: Organisational Workforce

Within this context the council needs to ensure it has the right people, with the right skills, working in the right way, within effective roles, programmes and flexible structures. This brings a series of core behaviours and key competencies that are needed to address both capacity and capability issues within the organisation to successfully drive through performance.

As an organisation we need to systematically identify and address critical skills gaps now and for the future; develop and deploy resources to ensure services can be delivered to a high standard and are value for money.

There are already a number of current and emerging recruitment difficulties and skill shortages for certain occupational groups, in particular IT, adult social workers and occupational therapists, which need to be addressed.

Actions:

To be monitored and addressed through priority actions included in this year's workforce strategy 2020/21, specifically:

- Development and implementation of a Recruitment and Resourcing Policy, focusing on effective ways of recruiting people with the right attitude and behaviours and a more flexible model for the types of skill needed
- Attracting and engaging a talented workforce including apprenticeship and graduate talent

Completion

Date:

March 2021

<ul style="list-style-type: none"> · Ensuring leadership development and learning programmes meet current needs including increased horizon scanning of future skills requirements <p>Responsible Officer: Jill Parker – Assistant Director - HR, Communications & Executive Office</p>	
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ISSUE: Data Quality Arrangements
 An improvement area has been identified around the quality of historic data, as well as resilience of current plans to embed a good data quality culture. It is important to ensure that historic data being migrated between information systems is of good quality. Proposals were approved to make resources available to address these areas.

<p>Actions: Following the successful introduction of a new approach to data quality, and major steps taken to remedy errors existing within legacy datasets, the data quality project will be mainstreamed into the wider service improvement work areas. The products introduced by the project, including data quality e-learning and self-assessment toolkits, will drive further data quality improvements across the organisation in order for the work to be sustainable in the medium and long term.</p> <p>Responsible Officer: Lee Tillman – Assistant Director of Strategy & Performance</p>	<p>Completion Date: Ongoing</p>
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ISSUE: Doncaster Integrated People Solution (DIP's)
 The full implementation of an integrated technology solution for Adult and Children Social Care case management, Early Help, Financial Management, Education Management, integration between key systems and joining up with health and partners is progressing. Due to its importance and how it will change these services and ways of working, it is remaining as a key issue to monitor

<p>Actions: Due to the Covid situation and some data issues, some of the timescales have had to be delayed or changed again. The current situation is that Children's Social Care, Early Help, Financials and integration is due to go live in October/November 2020 used by the Council, Doncaster Children's Services Trust and other key partners. Adult Social Care Management, financial solution, portals and integrations are due to go live in March 2021 used by the Council and key partners. Education Management deliverables are being achieved on a phased basis through to December 2020. Citizen, Professional & Provider Portals also to go live by March 2021.</p> <p>Responsible Officer: Julie Grant – Assistant Director of Customers, Digital & ICT</p>	<p>Completion Date: March 2021</p>
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Statement of Commitment

We have been advised of the implications of the result of the 2019-20 review of the effectiveness of the governance and internal control frameworks by the Audit Committee and of the plans to address identified weaknesses and ensure continuous improvement of the system in place. We propose over the coming year to take steps to address the above matters to enhance further the Council's governance and internal control arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and that we will monitor their implementation and operation over the next year and as part of our next annual review of effectiveness.

Signed on behalf of Doncaster Council:

Ros Jones
Mayor of Doncaster

Damian Allen
Chief Executive

Key Areas of Improvement from previous Statements that have been completed

There are a numbers of areas requiring improvement that have been identified in previous statements that have been effectively managed to the extent that they are no longer significant in 2019-20. These are:

- ❖ **Alarm Receiving Centre** - Following the implementation of a new system and previous remediation work, there was an ongoing practice and service standard issues, which highlight areas of risk and where being addressed through the implementation of a Rapid Improvement Plan. The Improvement plan remains in place, together with daily reassurance meetings.
- ❖ **Financial Challenges within Adults Health and Wellbeing** - Adult's services are facing increasing demographic and service financial pressures. This is currently underpinned & funded by short term funding sources such as Better Care Fund. Doncaster is not alone in experiencing these challenges and like many other council's we needed to find effective solutions to support individuals live as well and independent life as they possibly can. While we are still facing increasing demographic and service financial pressures, Strong progress has been made in recent years across the service that have included; embedding strength-based practice and evidence that this has improved experience both for Doncaster people and front-line staff; the introduction of a new case management system that will reduce bureaucracy, increase productivity and give staff more time to focus on prevention; Effective performance, finance and management information is produced regularly and is presented and discussed at a range of senior management meetings and the new Joint commissioning arrangements with health partners are being progressed and a new commissioning structure is being implemented.
- ❖ **Major Technology upgrade requirements** - Major Technology upgrade requirements - Most of our technology both council wide and across the key partners we provide technology to, had to be upgraded by January 20 to ensure they all continue to be compliant, supported and secure. Also a significant cost increase of licensing from 2019-20 meant we needed to revisit to achieve value for money. Both these issues initiated an extensive programme of work to move significant technology used into the Cloud so it is more cost efficient and implement the extensive upgrade of all servers, systems and desktops as required. This extensive programme of work has now been completed.
- ❖ **Doncaster Children's Services Trust** - Doncaster Children's Services Trust governance model changed on the 1st April moving from a wholly owned independent company to an ALMO (Arm's Length Management Organisation). This model was supported by the Secretary of State for Education as the preferred approach which allows operational independence whilst at the same time providing financial security. As we move into Phase 2 of the organisational maturity it'll be important to maintain focus on its core activities to deliver better outcomes for children, young people families and ensure that the Trust remains

efficient and sustainable in the medium and longer term. The new governance and Board arrangements to support the ALMO structure was established 1 April 2019. Performance metrics have been reviewed and updated and a revised performance monitoring and reporting contact has been established and continues to work well.

- ❖ **The Local Plan – I** The Council needs to have updated policies and allocations in line with national planning policy and legislation to ensure central government do not intervene to prepare a plan on our behalf. Following the Publication of the Local Plan in August 2019, the representations received have been summarised, evaluated and discussed and no significant new issues were identified. The Local Plan was submitted to the Planning Inspectorate in March 2020 and the Secretary of State has appointed an independent examiner. The dates of the examination hearings are yet to be agreed but are likely to commence in the spring with the aim of adopting the Plan by winter 2020.

- ❖ **General Significant Financial Challenges - Issue:** The Council faced a number of significant financial challenges which if not managed carefully in 2019/20 could potentially lead to an overspend position and a reduction in the level of general reserves, the Council also needed to produce a balanced budget plan for 2020/21, to meet the forecast budget gap estimated. At quarter 3, the Council is forecasted a year-end underspend of £1.3m. This is a positive position and demonstrates the continued effort to manage the significant cost reductions in 2019/20. Planned savings for 2019/20 are largely on track with £17.5m expected to be delivered, leaving a projected shortfall of £1.4m. Given the ongoing funding uncertainty facing local government we will need to be ever more diligent to ensure managers form value for money decisions when making spending decisions and delivering or commissioning services. In addition the leadership will continue to exercise effective stewardship of the council resources this will continued to be monitored throughout the year.

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