



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: Thursday, 29th April, 2021

Time: 10.00 am

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.

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Damian Allen
Chief Executive

Issued on: Wednesday, 21 April 2021

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

Doncaster Metropolitan Borough Council
www.doncaster.gov.uk

Items for Discussion:

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2. To consider the extent, if any, to which the Public and Press are to be excluded from the meeting.	
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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

Public Document Pack Agenda Item 4

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

WEDNESDAY, 27TH JANUARY, 2021

A MEETING of the AUDIT COMMITTEE was held at the VIRTUAL MEETING VIA MICROSOFT TEAMS on WEDNESDAY, 27TH JANUARY, 2021, at 10.00 am.

PRESENT:

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

Councillors Charlie Hogarth, Tosh McDonald, David Nevett and Kathryn Smart.

Peter Jackson	Head of Internal Audit
Debbie Hogg	Director of Corporate Services
Faye Tyas	Assistant Director of Finance
Mark Wakefield	Head of Service, Strategic Commissioning
Kathryn Anderson-Bratt	Head of Service, Quality & Safeguarding
Helen Potts	Principal Legal Officer
Perminder Sethi	Engagement Senior Manager
Gareth Mills	Engagement Lead, Grant Thornton

62 Declarations of Interest, if any

There were no declarations made at the meeting.

63 Minutes of the meeting held on 19th October 2020.

RESOLVED that the minutes of the Audit Committee meeting held on 19 October, 2020, be approved as a correct record.

64 Audit Committee Actions Log.

The Audit Committee were presented with the Audit Committee Actions Log, which provided an update on all actions agreed at previous Audit Committee meetings. Members noted that all actions were progressing well and the actions from the meetings during the previous year were no longer outstanding, with two having been completed, and the remaining action had been delayed due to the Covid Pandemic.

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

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

Members received a report from Helen Potts, Principal Legal Officer that provided the Committee with its six monthly update on the Council's use of RIPA (Regulation of Investigatory Powers Act).

Helen Potts informed Members that due to the current restrictions that the country had been placed under since the last update report had been received, there had been less work undertaken, as many of the staff who were previously working in these roles were currently being reassigned to different areas of work as a result of the pandemic. Additionally, the nature of the investigations created additional social distancing risks which were unavoidable and therefore had been delays placed upon the service.

Information was still being received in relation to underage sales, illicit tobacco, alcohol, and counterfeit goods, but the surveillance that could be undertaken to respond to this was limited during the lockdown periods and also beyond.

Members voiced their concerns that due to the pandemic there was an impact on the ability to undertake required work but acknowledged the limitations. However, it was queried how many reports had been received from members of the public and how many warning letters had been sent to local businesses in advance of any further steps. Officers would endeavour to supply Members of the Committee with this information. Additionally, Members requested that further to that query, a breakdown be provided with data regarding the individuals against whom any action was taken in order to ensure that equalities were being adhered to.

RESOLVED that the Audit Committee noted that the Council has had no surveillance applications authorised under RIPA since the last report to the Audit Committee on 30 January 2020.

66 Update Report on Contract Commissioning in Adults, Health & Wellbeing.

Mark Wakefield and Kathryn Anderson-Bratt were in attendance at the meeting to provide an update to Members on improvements made within the Adults Commissioning and Contracts Service Area. This item had been a regular item on the Audit Committee Agenda since April 2017 due to a number of breaches and waivers to the Council's Contract Procedure Rules. Improvements had been made year on year and there had been vast improvements in all areas which was pleasing to see.

An update was also given in regard to the Adults Commissioning and Contract response to the Covid-19 Pandemic and how they were assisting with this. The Committee noted that there was a successful approach with funding from central government being used to mitigate the spread of infection across the borough.

Members had a broad discussion regarding the report and the thoughts it raised as a result. Whilst the progress that had been made was exceptionally pleasing and reassuring, a number of Members still had concerns with regard to standing down the reporting to Audit Committee, as it was felt it was then easy to lose sight of any problems that may reoccur. It was felt that added pressures of Covid-19 could create new problems moving forward, and potentially this was not the right time to do so.

Officers acknowledged the concerns raised by the Committee, but aimed to give assurance that the service was operating in a well-controlled manner, and whilst the comments and concerns were noted, they assured Members that a watching brief would be kept. Additional monitoring would be ongoing through the Breaches and Waivers report that was presented to the Committee on a regular basis. Should problems be indicated from these monitoring arrangements then enquiries could be made and a report brought to Committee. After a

comprehensive discussion, officers alleviated the concerns of Members and they were happy to accept the recommendations to stand down the reporting as it was acknowledged that the Service Area was in a much more stable and controlled position than it had been in previous years.

RESOLVED that the Audit Committee note the information contained within the report and agreed to stand down the reporting of progress by the Adult Commissioning and Contracts function to the Audit Committee. The Committee agreed to revert to 'business as usual' audit processes to provide oversight and assurance in respect of commissioning and contract going forward.

With regard to the recommendation approved by Members, Councillor Tosh McDonald requested that his dissent from the decision be noted.

67 Annual Governance Statement 2019/20 - Progress Update

Members considered a progress update with regard to the Annual Governance Statement that had been considered by the Audit Committee at its meeting on 18 October 2020. At the meeting in October, a number of issues and actions had been outlined that would need to be dealt with following that meeting.

Members noted that the only points to note were that there had been some slight slippage with regard to two issues. The completion date for the Doncaster Integrated People Solution (DIP's) had been moved from March 2021 to July 2021. The Committee were informed that this was being kept under close view after a number of challenges had led to the delay but that robust arrangements were in place.

Committee also noted that Governance Functions had also been moved from March 2021 to June 2021. Members noted that this was part of a wider piece of work around training and was being looked at closely by the Leadership Team.

All the changes were documented within the progress report contained within the agenda and Members would be updated further.

The Committee were given the opportunity to ask any questions of officers in relation to the report, which were largely focused on the following:-

- Were all items being monitored and reviewed;
- Was training continuing;
- What were the main areas of concern;
- Were there still ongoing issues regarding telecare and associated repercussions

The questions raised gave the Officers the opportunity to provide clarity on these issues and any progress already made.

RESOLVED that the Audit Committee note the content of the briefing paper and attached Appendix.

68 Internal Audit Progress Report for the Period: October to December 2020.

Members considered the Internal Audit Report for the period October to December 2020, which provided information on the work undertaken by Internal Audit in the period.

The report was split into four sections as follows:-

- The Audit Plan and any revisions to it;
- Audit work undertaken during the period;
- Implementation of Management Actions arising from Audit recommendations; and
- Internal Audit Performance.

It was reported that the routine audit work was now carrying on as normal, despite the impacts of the Covid pandemic.

With regard to the implementation of actions arising from recommendations, this was a high priority area, and the Internal Audit Team had worked with Management to ensure that any actions able to be implemented had been completed. However, in areas where this had not been possible, this was largely due to the reprioritisation of resources during the Covid Pandemic.

In terms of Internal Audit performance, the Committee noted that information on this area was limited but noted the prompt issue of audit reports to Management.

Members were invited to put any queries to officers on which they required further information.

The Committee noted that they had held a discussion with regard to the Internal Audit Plan before the meeting in their training session, and had acknowledged that even though the Council was working in unprecedented times, the Audit Team had delivered work appropriate to the circumstances and the work plan for the remainder of the year was reasonable. They were satisfied that the Internal Audit Function was performing satisfactorily.

A number of queries were also raised regarding the Economy and Environment area, and the support being given to this as it was evident that there were a number of overdue actions where improvements needed to be made. Officers assured Members that they were receiving support and it was a very fluid situation that was being monitored.

In terms of building up to giving his annual audit opinion, the Head of Internal Audit informed the Committee that a more lateral approach had to be used this year, gaining assurance from the unplanned work that the team had carried out as part of the initial pandemic response and the consequent work that had arisen as part of the pandemic. He stated he had also had to draw down into the “assurance reserves” that the team had built up from previous years’ work and also obtained from other sources. He stated that he would continue working through this with the Assistant Director of Finance including how to build back up the “assurance reserves” in the future. The team were very experienced with extensive knowledge of the Council’s operations. This had had been invaluable in this very difficult period of time, and he provided reassurance to the Committee that coverage and support would always be given on a risk-based basis. The year had been considerably more demanding than previous years, and whilst a different approach was being taken in delivery of Internal Audit work and arriving at his annual opinion, CIPFA were recognising this within their guidance.

RESOLVED that:-

- 1) The Audit Committee note the position of the Internal Audit Plan;
- 2) The internal Audit work completed across the period be noted; and
- 3) The Audit Committee note the position with regards to the implementation of management actions arising from Internal Audit Recommendations.

Members considered the annual report for detecting Fraud and Error for the period 1 October 2019 to 30 September, 2020.

The report gave a summary of all the work undertaken during the period to prevent, detect and investigate fraud and corruption. Peter Jackson, Head of Internal Audit, outlined to Members that due to the Covid Pandemic, the fraud landscape of the Council had changed significantly over the past year due to the approach promoted by the government in supporting business through the period. This had resulted in a number of grants being offered and a change to rates and reliefs offered, that could potentially allow new opportunities for potential fraudsters to exploit.

Members noted that overall in Doncaster, fraud remained low, and the report was a positive report that outlined the good work being done to ensure that people were made aware of any corrupt activity, which was at a cost to the taxpayer.

Within the report, the following points were highlighted:-

- 22 cases of fraud or error in businesses rates grants
- 414 cases of single persons Council Tax Discounts cancelled
- 13 cautions and 16 pending cases relating to Blue Badge Fraud
- 1287 cases referred to the Single Fraud Investigation Service for housing Benefit and 284 Direct Earnings Attachments to recover historically written off debt
- Proactive checks by the Council detected 146 duplicate invoices.

Members had a brief discussion regarding the information contained within the report, and were assured that systems was working effectively. The Committee were informed that development of the Team was ongoing and fraud awareness was delivered by the team and would look to be rolled out as appropriate as part of a wider package of training and awareness. It was also noted, that due to all the additional grants and funding streams currently coming forward as a result of the support being offered nationally in response to Covid-19, there was the potential that further issues may arise in the future. Checks were being made at application to minimise fraud and error. It was a moving picture and looking forward, there would be a clearer view of what the impact had been in the next annual report.

RESOLVED that the Audit Committee support the production of the Preventing Fraud and Error report and agree to appropriate publicity being produced to highlight the outcomes from the Council's anti-fraud activity and to act as a deterrent to Fraud.

70 Grant Thornton Annual Audit Letter 2019/20.

The Audit Committee were presented with the Key Findings from the Annual Audit Letter from Grant Thornton. The draft Audit Letter had been presented to the Committee at its previous meeting and had provided Doncaster with an Unqualified Opinion for 2019/20.

It was noted that a number of authorities had still not received their Annual Audit Letter due to the challenges faced by Covid-19 as it had placed a number of pressures across the industry.

The report informed the Committee that there had been excellent co-operation in challenging times and there had been no issue in giving Doncaster a positive Value for Money (Vfm) conclusion.

The ongoing Covid-19 Pandemic had been identified as an area within the financial statements with the following identified as further risks:-

- Management over-ride controls
- Valuation of Land and Buildings
- Value of Pension Fund net liability

Within the VfM conclusion, BREXIT was identified as a key risk, but this was to be expected due to the uncertainty surrounding this currently, and moving forward into the next year. Additionally, Financial Standing was identified as a further risk although this was a nationally identified issue and more towards commercial entities rather than local authorities.

The Committee were informed that it was hoped the Annual Audit Letter would have its final sign off following the Audit Committee, prior to its deadline of the end of January.

The Chair thanked Perminder Sethi and Gareth Mills for their attendance at the meeting, and on behalf on the Committee, Councillor White conveyed his thanks to all involved in Finance for working so hard in unprecedented times to achieve an Unqualified Opinion on the accounts.

RESOLVED that the Annual Audit Letter 2019/20 be noted.

71 Grant Thornton Briefing on the Financial Reporting Council (FRC) Report on Local Audit.

Gareth Mills, Grant Thornton, provided the Committee with a briefing with regards to the FRC report on local Audit. The report produced by the FRC detailed their findings of its review of local auditors, working across the public sector. It had selected a number of Audit files for review from across the public sector and within these; Grant Thornton as the largest provider in the market, had been asked for the largest selection of files.

Grant Thornton had been asked to provide six files, and out of these, one had been described as requiring limited improvements, and five required improvements. Additionally, 6 had been reviewed from Value for Money files, and of these, it was noted positively that none of these required any more than limited improvements.

One point that had been noted during the review was that there needed to be more concentration on PPE (Property, Plant, Equipment) and Grant Thornton would respond to these actions accordingly. Additionally, EQCR, Fraud Risk Factors and completeness of expenditure were also highlighted in their other key findings. It was reported that they would ensure more measures were put into place with regard to these recommendations in order to ensure that there was stronger audit quality moving forward.

RESOLVED that the report on the FRC Report on Local Audit be noted.

72 Grant Thornton Presentation - The Redmond Review.

Gareth Mills, Grant Thornton, gave a briefing to the Committee on the Redmond Review, which was a review undertaken by Sir Tony Redmond, the former president of CIPFA. This had been published in September 2020 and had looked at the effectiveness of audit in Local Authorities. It was reported that Local Audit was now facing unprecedented set of challenges for a number of reasons, and it was felt that radical reforms were needed as a result.

The current system, Members noted, was not working and as a result, the service provided was not as higher standard as it should be. There was huge difficulty in attracting and retaining employees within the Audit Industry, which placed added strain on meeting expectations. The 31 July deadline for the final accounts had placed added further pressure

on auditors and as a result, it had been proposed that a number of recommendations were put into place. These included:-

- A new regulator – the Office of Local Audit and Regulation would be brought in to replace the FRC and the PSAA;
- Scope to increase fees – The current fee structure for local audit be revised (i.e. increased) to ensure that adequate resources were deployed to meet the full extent of local audit requirements;
- Move back to a September deadline – The deadline for publishing audited local authority accounts be revisited with a view to extending to 30 September instead of 31 July every year.

Following the briefing given by representatives from Grant Thornton, Members of the Committee were invited to comment on the Review and discussion ensued, with particular emphasis placed on the fee system and how this would be agreed. Members were assured that this would be done through the proper tendering process to ensure it was done openly and transparently.

RESOLVED that the briefing on The Redmond Review be noted.

CHAIR: _____

DATE: _____

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Agenda Item 5

DONCASTER METROPOLITAN BOROUGH COUNCIL

EXTRAORDINARY AUDIT COMMITTEE

WEDNESDAY, 17TH FEBRUARY, 2021

AN EXTRAORDINARY MEETING of the AUDIT COMMITTEE was held via MS TEAMS as a VIRTUAL MEETING on WEDNESDAY, 17TH FEBRUARY, 2021, at 2.00 p.m.

PRESENT:

Chair - Councillor Austen White

Vice-Chair - Councillor Richard A Jones

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

Also in attendance:

Scott Fawcus - Assistant Director of Legal and Democratic Services and Monitoring Officer

Peter Jackson - Head of Internal Audit

Neil Concannon - Head of Service – Litigation and Regulatory and Deputy Monitoring Officer

73 TO CONSIDER THE EXTENT, IF ANY, TO WHICH THE PUBLIC AND PRESS ARE TO BE EXCLUDED FROM THE MEETING

There were no items on the agenda where the public and press were to be excluded.

74 DECLARATIONS OF INTEREST, IF ANY

There were no declarations made at the meeting.

75 ADOPTION OF A NEW MODEL CODE OF CONDUCT FOR MEMBERS

Scott Fawcus, Assistant Director of Legal and Democratic Services and Monitoring Officer, introduced a report which presented a new Model Code of Conduct for Members that had recently been launched by the Local Government Association (LGA) for Local Authorities to consider adopting in place of their current Codes.

In outlining the background, the Monitoring Officer explained that the production of an updated Model Code of Conduct had been a recommendation arising from a review of local government ethical standards by the Committee on Standards in Public Life in 2019. The aim of this was to address the apparent inconsistencies in Codes across England and to reflect the common expectations of the public regardless of geography or tier. The LGA had subsequently been tasked with creating an updated Model Code in consultation with representative bodies of councillors and officers of all tiers of local government. A final national Model Code had been issued in late December 2020 for Councils to consider, a copy of which was attached to the report at Appendix A, together with a copy of this Council's current Code at Appendix B.

In summarising the key changes in the new Model Code, the Monitoring Officer confirmed that the Code included a new section outlining general principles of Councillor Conduct, which was still based on upholding the Seven Principles of Public Life (aka the Nolan Principles). The new Code also provided greater clarity as to when the Code applied to a Councillor's actions, i.e. when acting as a Councillor, which included all forms of communication and interaction by Councillors, with a new specific reference to electronic and social media communication, posts, statements and comments. The Monitoring Officer also explained that the provisions in the new Code relating to declaring and registering interests widened the current requirements and was a return to the position which Members were adhering to prior to 2011. This comprised a new requirement for Members to declare all other interests in addition to Disclosable Pecuniary Interests, only speak if the public were allowed to speak, not participate in the discussion or vote and leave the room (subject to dispensation).

The Monitoring Officer also informed the Committee that, in light of comments received from Members, he intended to review the Council's Complaint Handling Procedure for Code of Conduct complaints and bring a report back to this Committee's first meeting in the new Municipal Year. He stated that he intended to make revisions to the Procedure which would clarify that the Code of Conduct process will only apply to formal complaints received on the Council's complaint form, and that vexatious complaints will not be considered.

In concluding, the Monitoring Officer confirmed the timeframe for adopting the new Code, with a suggested date of 7th May for implementation of the Code, which was the date at which the election results would be announced. Following the Code's approval, the Monitoring Officer explained that he intended to contact all Parish and Town Council Clerks in the Borough, encouraging them to also adopt the new Code for the purposes of consistency.

In response to a Member's query as to whether the Model Code needed to be more specific in referring to the different forms of online meetings being held, e.g. Zoom, MS Teams, the Monitoring Officer explained that clarification was currently being sought from the Government on its plans for extending the current regulations which allowed for local authority meetings to be held remotely, as this provision was due to end in May 2021. He felt, however, that the wording in the new Code was sufficient and that the term 'online meetings' covered all scenarios.

During further discussion, a Member stated that, while he was largely in favour of adopting the new Code and welcomed the Monitoring Officer's undertaking to review the Complaint Handling Procedure, he nevertheless felt that the revised Procedure should be agreed and in place prior to the new Code being adopted. In response, the Monitoring Officer explained that, with regard to the timeframe, he had not realised there was a meeting of this Committee in April, so he undertook to bring a revised Procedure to that meeting instead.

In reply, the Member re-iterated his view that it was wrong to ask Members to approve the new Model Code of Conduct before having a revised Complaint Handling Procedure in place. He stated that he agreed in principle with the new Code, but was concerned that the Committee was being asked to recommend the Code's adoption to Council before the necessary background procedures were agreed.

Other Members then spoke on the proposed new Code and acknowledged that it would be helpful to have a single national model to operate under to avoid confusion, particularly in instances where a Member was both a Borough and a Parish Councillor.

Kathryn Smart stated that, from her independent perspective, these seemed to be sensible provisions, but she stressed that training and awareness for Members would be key in implementing the new Code. She also felt it would be helpful if the Council published a clear definition of what constituted 'vexatious complaints'. However, Kathryn questioned the proposed requirement for complaints to be made using the Council's official complaints form, as she felt this could present accessibility issues and challenges and exclude certain individuals who struggled with form filling. In reply, the Monitoring Officer explained that the use of a complaint form provided a consistent approach and ensured that the relevant information was gathered. He added that the form was relatively short, and could be completed by hand rather than typed if this was easier. He also stressed that there was the facility for complainants to remain anonymous if they wished, subject to meeting the necessary criteria.

In response to a query concerning the impact of the new Code on declarations of gifts and hospitality and Registers of Interest, the Monitoring Officer advised that the requirements for declaring gifts and hospitality remained largely the same under the new Model Code, but he stressed that more interests would be captured by the new Code, and that as a result, Members would be required to register a greater number of these in future. The Monitoring Officer added that reminders were sent periodically to Members about keeping their Registers of Interest up-to-date.

The Chair then referred to the recommendations in the report and it was moved and seconded that this Committee agree to recommend to Full Council that the LGA's Model Code of Conduct be adopted. However, on being put to the vote, the Committee was split with 2 Members voting for, and 2 against. Consequently, the Chair sought guidance from the officers as to whether an alternative timeframe for the Code's implementation was available to allow time for the complaint handling procedure to be agreed by this Committee prior to the new Code being adopted by Council. In response, the Monitoring Officer suggested that the Complaint Handling Procedure could be brought to the April meeting for this Committee's endorsement, together with the report on the new Model Code, which would enable the Committee to recommend the Code of Conduct for adoption at the Council's AGM in May.

The Chair then moved that the timeframe as suggested by the Monitoring Officer for considering a revised Complaint Handling Procedure and further consideration of the new Model Code of Conduct be agreed. Upon being seconded and put to the vote, it was unanimously

RESOLVED that consideration of the new Model Code of Conduct be deferred until this Committee's next meeting on 29th April 2021, to allow the Committee to consider an additional report at that meeting on a revised Complaint Handling Procedure for Code of Conduct complaints.

CHAIR: _____

DATE: _____

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Doncaster Council

Report

29th April 2021

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 three actions requested in the January 2021 and July 2020 meetings. There are no actions outstanding from earlier meetings. Of these:
 - Two are complete and the remaining one relating to lone working in the Trading Standards team is proposed to be removed from the action log as it is routinely reported already in the Internal Audit Progress report.

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 24/03/21]

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 01/04/21]

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

HUMAN RESOURCES IMPLICATIONS [JM 24/03/21]

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

TECHNOLOGY IMPLICATIONS [PW 24/03/21]

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

EQUALITY IMPLICATIONS [PJ 17/03/21]

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 [RS 24/03/21]

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

Peter Jackson, Head of Internal Audit

Tel 01302 862938, Email: peter.jackson@doncaster.gov.uk

Faye Tyas
Assistant Director of Finance

AUDIT COMMITTEE ACTION LOG – OCTOBER 2020

Follow-up actions from previous meetings:-

Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Meeting January 2021			
<p>Covert Surveillance - Regulation Of Investigatory Powers Act 2000 (Ripa) Update Queries were raised around surveillance activities:</p> <p>1) How many reports from members of the public have we received since March 2020</p> <p>2) How many warning letters have we sent out for underage sales/counterfeit goods/ tobacco alcohol related matters</p> <p>3) What is the ethnicity of the shop keepers that we do take action against. Is there a chance we may be disproportionately impacting one community?</p>	<p>The following responses were provided by email to Members:</p> <p>1) We have received 17 complaints about illicit tobacco sales since March 2020, of which 12 have come from members of the public. (The remainder are police reports, which combine reports they have received from the public and from observations made on routine patrols.)</p> <p>2) We have sent three mailshots this year. The first related to a change in the law around sale of menthol cigarettes; 279 letters were sent. The second was a reminder about tobacco and alcohol regulations; 312 letters were sent. The third was sent to shops where there was an outstanding complaint about illicit tobacco. The letter contained information about what could be legally sold under UK legislation and requested details of the current owner and manager of the shop; 22 letters were sent.</p> <p>3) We don't record the ethnicity of any people / businesses that we investigate. However, I can reassure elected members that all such investigations are solely intelligence led based on information received in response to complaints from the public and intelligence from partner agencies and colleagues from other departments.</p>	Helen Potts	Complete

Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)				
<p>Update Report on Contracts and Commissioning in Adults, Health and Wellbeing An inconsistency in dates reported re waivers granted was highlighted for officers to investigate.</p>	<p>The following response was provided by email to Members. "I have checked with Procurement colleagues who have confirmed that there were no waivers during January 2020. As such para 19 of the report is amended to: The number of waivers reported to audit committee in the last twelve months reporting period is detailed in the table below, together with the number of waivers previously requested in the same time period. Responding to the COVID19 pandemic has been attributable to the increased number of waivers during this reporting period:-</p> <table border="1" data-bbox="864 707 1348 863"> <tr> <td data-bbox="864 707 1111 823">February 2019 to December 2019</td> <td data-bbox="1111 707 1348 823">January 2020 to December 2020</td> </tr> <tr> <td data-bbox="864 823 1111 863" style="text-align: center;">6</td> <td data-bbox="1111 823 1348 863" style="text-align: center;">10</td> </tr> </table>	February 2019 to December 2019	January 2020 to December 2020	6	10	Mark Wakefield	Complete
February 2019 to December 2019	January 2020 to December 2020						
6	10						
Meeting July 2020							
<p>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.</p>	<p>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. There is ongoing management monitoring of the lone working situation.</p>	Nasir Dad	To be removed from the Audit Committee Action log as this issue is reported upon routinely within the Internal Audit Progress report				



Doncaster Council

Report

Date: 29th April 2021

To the Chair and Members of the
AUDIT COMMITTEE

BREACHES AND WAIVERS TO THE COUNCIL'S CONTRACT PROCEDURE RULES

EXECUTIVE SUMMARY

1. This report provides Members with details of all the waivers and breaches to the Contract Procedure Rules (CPR's) for the period **1st September 2020** to the **28th February 2021**.
2. The table below summarises the number of new waivers and breaches recorded for each Directorate since the last audit report presented in October 2020 and the one before that in July 2020. The details of each waiver and breach are summarised in the appendices to this report.

Directorate	1 st Sep 20 to 28 th Feb 21 (6 months)		1 st Jul 20 to 31 st Aug 20 (2 months)		1 st Mar 20 to 30 th Jun 20 (4 months)	
	Breaches	Waivers	Breaches	Waivers	Breaches	Waivers
AHW	0	3	0	4	0	8
LOCYP	2	2	0	0	0	0
CR	0	4	0	2	0	7
E&E	0	6	0	2	0	8
GRAND TOTAL	2	15	0	8	0	23

EXEMPT REPORT

3. This report is not exempt.

RECOMMENDATIONS

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

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

6. There are no specific implications within this report.

BACKGROUND

7. The Monitoring Officer (MO) monitored compliance with the CPR's for the period covered by this report.

CONTRACT PROCEDURE RULES (CPR'S)

8. 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.
9. It is therefore important that steps are taken to ensure breaches are identified, investigated and plans quickly put in place to rectify the position.
10. There have been **two** new breaches, as well as updates on **three** existing unresolved breaches and **one** resolved breach.
11. **Appendix 1** shows the details of the new, unresolved and resolved breaches for this period.
12. Whilst the public procurement law 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

13. 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

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

Waivers to CPR's

15. **Fifteen** waivers to CPR's have been approved for this **6** month period, which has decreased from the huge increase over the pandemic period but still higher than the same 6 months period in 2019/20, reported in February 2020, which was **ten**. The percentage of waivers granted against the amount of contracts awarded for this period is shown in **Appendix 3**.
16. 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).

REVIEW OF PROCUREMENT ARRANGEMENTS ABOVE £25,000

17. 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.

18. 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.

19. A CPR Training Programme has been drafted onto the Council's E Learn platform and is set to be launched April 2021.

OPTIONS CONSIDERED

20. 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 and escalated for authorisation to the MO or CFO.

REASONS FOR RECOMMENDED OPTION

21. 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

22.

	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>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 	<p>Effective procurement governance ensures best value is achieved from the budgets available.</p>

	<ul style="list-style-type: none"> • 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>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>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

23. 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.
24. 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. The Council is in recovery phase and the Procurement Team are working with service areas to ensure projects are conducted in line with the CPR's. The pandemic has resulted in a delay in contracting activity and has increased the pressure on resource. Currently there is a low risk to fulfilling the needs of the authority but this is being monitored closely. There has been successful recruitment within the Procurement Team which is facilitating the increased demand in workloads.

LEGAL IMPLICATIONS [Officer Initials...NJD... Date.....12/04/21.....]

25. 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...PH..... Date...07/04/21.....]

26. 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 RH Date 09/04/21.....]

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

TECHNOLOGY IMPLICATIONS [Officer Initials... PW Date 08/04/21.....]

28. 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 ...08/04/2021.....]

29. There are no direct health implications 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 07/04/21]

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

CONSULTATION

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

BACKGROUND PAPERS

32. None.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

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

REPORT AUTHOR & CONTRIBUTORS

Holly Wilson, Head of Procurement

☐☐01302 737664 ☐☐holly.wilson@doncaster.gov.uk

Scott Fawcus
Monitoring Officer

& Assistant Director of Legal & Democratic Services

BREACHES

- **New** CPR breaches that have been identified between the **1st September 2020 to the 28th February 2021**
- **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	LOCYP	New	Apr 21	Archive Offsite Storage	£39,700	Contract expired	April 2021 Note – Movement of archives into the old museum site. Retrospective waiver requested and rejected. Project plan agreed with the service area to enable a route to compliance. Capital investment underway.	Oct 2021
1.1	LOCYP	New	Apr 21	Archive Offsite Storage	£83,814	Contract expired	April 2021 Note – Movement of archives into the old museum site. Retrospective waiver requested and rejected. Project plan agreed with the service area to enable a route to compliance. Capital investment underway.	Oct 2021
2.0	AHW	Unresolved	Apr 17	YMCA Goodall House	£170,000	Contract expired.	<p>Apr 2021 Note – as per the note from Sept 2020. In addition there is contractual coverage to mitigate risks to the Council.</p> <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>March 2022</p> <p>Subject to Cabinet Report 5th Nov 19</p> <p>Revised: Sept 19</p> <p>Mar 19</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>	
3.0	E&E	Unresolved	Apr 19	Glass and Glazing supplier for the supply & install of doors, windows and board ups	£102,000	Scope of the corporate contract for the 'Building Materials and Associated Products' does not cover areas requirements and have been using it for that supply. No contract.	<p>Apr 21 – Procurement delayed, currently mitigating the risk by getting quotes for each job. Procurement project started to cover the aggregated contract value and is due to complete Aug 21.</p> <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>	<p>Revised Aug 21</p> <p>Jan 21</p> <p>Jun 20</p> <p>Apr 20</p>
3.1	E&E	Unresolved	Oct 19	Provision of Flags, Kerbs, Edgings and Highway Products	£108,000	Continuation of purchase following contract expiry	<p>March 21 Note – Due to be tendered via YPO framework w/c 22/03/21 with an anticipated contract award date of May 2021. Delayed contracting due to service area resource but procurement now underway.</p> <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>	<p>Revised: May 21</p> <p>Jan 21</p> <p>Jul 20</p> <p>Dec 19</p>
3.2	E&E	Resolved	Apr 20	Autocad Software Licences	£32,000	CPR waiver rejected. Continuation of service for a further one year following contract expiry	<p>March 21 Note – Contract awarded to Softcat PLC (via HealthTrust Europe LLP Framework Agreement) until 12/11/21</p> <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>	<p>Jan 21</p> <p>Nov 20</p>

WAIVERS

CPR waivers that have been agreed covering the period **1st September 2020 to the 28th February 2021**, together with an explanation of the reasons for the waiver.

No.	Directorate	Title	Waiver Category	Waiver Value (£)	Waiver Period Start Date	Waiver Period End Date	Reason for the Waiver (brief description)
1.0	AHW	GP Positive Step waiver	4. Forms Part of a Strategic Plan/Review	£40,000	07/03/2021	06/03/2022	The service provides a weekly GP ward round to service users who have been discharged from acute settings into the Positive Steps service and seeks to optimise their independence once they leave hospital. The Covid 19 situation has resulted in delays to the Intermediate Care Review and subsequently the council needs to ensure this provision is maintained to allow for Covid recovery phases to pass and resource be made available to continue pre Covid works.
1.1	AHW	Test and Trace Communications Support	2. Emergency Situation	£110,000	01/08/2020	31/12/2021	Emergency requirement in response to Covid 19, support required in delivering essential Covid 19 specific communications across the borough.
1.2	AHW	Practice With Impact	1. Sole Provider/Niche Market	£50,000	01/02/2021	31/07/2021	The requirement is for niche provision to work in a credible way with adult social care practitioners and improve workflow in specified ways following the implementation of the DIPS programme. This requires specialist input, ensuring both strong understanding of applicable legislation, practical grip on social care processes and credibility with practitioners.
2.0	CR	Children's social care system	2. Emergency Situation	£91,816	01/11/2020	31/10/2021	The Council is implementing a new Integrated People Solution that encompasses adult and children social care with associated portals and financial and education management. The support contract for this contract ends 31st October 2020 but the current go-live date of the replacement solution has had to be moved to 23rd November 2020. There has been slippage in the project caused by the Covid situation impacting on resources and data quality and migration issues. This is a very critical business system serving our most vulnerable young people and it must be maintained and there are no alternatives.

2.1	CR	Counselling Services	2. Emergency Situation	£30,000	10/02/2021	09/02/2022	Due to the current Covid-19 pandemic an extension has been granted between all suppliers on the Counselling Framework to ensure continued provision of this vital service to meet the needs of staff. Resource in this department has been redirected on dealing with increased need. The risk is too high in not having this provision for staff and the continuation of providers working with existing clients is essential.
2.2	CR	Mortuary Service	1. Sole Provider/Niche Market	£33,000	01/04/2021	31/08/2021	The sector for this provision is limited and due to the Covid19 market testing of the market has been delayed due to the inability for the incumbent provider and any other unknown potential providers to tender due to the increased pressures they face. The contract will be market tested to ensure the niche viewpoint of the market and a long-term contract put in place as a result of this exercise, this will be completed and in place once the CPR Waiver ends.
2.3	CR	Doncaster IDCR Migration from CareFirst to Mosaic	1. Sole Provider/Niche Market	£30,030	22/02/2021	31/03/2021	This CPR waiver is granted to the provider to allow the necessary Integrated Digital Care Record (IDCR) consultancy services to support the migration from one system to the other. As the provider of the IDCR for Doncaster Clinical Commissioning Group (CCG) the provider directly awarded to are the only specialist firm able to meet this requirement.
3.0	LOCYP	Big Leadership	1. Sole Provider/Niche Market	£36,000	10/09/2020	14/09/2022	This is the only provider in the market who can offer this specific form of place-based leadership CPD for school leaders. Senior Leadership within Learning and Opportunities appraised the market in this sector closely and have concluded that the provider awarded are only provider in the market who have both the expertise to deliver and the capacity to mobilise such an ambitious programme of work. Furthermore, the Opportunity Area Programme Board's commitment of funding to the development of this project is contingent upon the selection of this specific provider to deliver this project.
3.1	LOCYP	Consultant Advisor Education & Skills Strategy 2030/G.E.L.P 21	1. Sole Provider/Niche Market	£32,000	01/11/2020	31/07/2021	This provider is niche and has provided leadership and advisory services in the development of the Education and Skills Strategy 2030 as follows and has built up significant relationships, networks and specific local knowledge as a result of this.
4.0	E&E	A18 Railway Bridge, Thorne – BKS/66 – Network Rail design reviews and construction work costs	1. Sole Provider/Niche Market	£321,115	06/09/2020	31/10/2020	The works needed must be conducted by the asset owner to enable the programme of full works to be delivered. There is no alternative provider.
4.1	E&E	Supply of Permanent Traffic Signs	2. Emergency Situation	£50,000	01/04/2020	31/03/2021	This sector was affected by Covid19 and unable to tender, this waiver is granted to allow providers time to recover and for suppliers to ascertain their ability to support any new tender, thus giving Doncaster the benefit of increased bids for works.
4.2	E&E	Winter Service Route Navigation and Management Software for Winter Gritting	1. Sole Provider/Niche Market	£64,155	09/11/2020	10/11/2021	There is only one supplier / partner company who is approved and compatible with ECON machinery to supply voice activated driver navigation and automated spreading systems that connect directly to the ECON SPARGO control box.

4.3	E&E	Type IIR Masks	2. Emergency Situation	£45,000	01/12/2020	31/03/2021	Due to Covid-19 the Council has an ongoing requirement to purchase Type IIR Masks. The DHSC provide free PPE to certain sectors but some do fall outside this. The council are working with a Doncaster manufacturer of Type IIR masks and have set up an agreement to purchase as and when required. This waiver covers the anticipated demand that may be needed.
4.4	E&E	Minor Highways Works	2. Emergency Situation	£60,000	01/09/2020	31/03/2021	The works supplied under this contract are necessary for the Council to carry out and maintain works as part of the statutory duty to maintain the public highway under Section 41 of the Highways Act 1980. We are requesting this Waiver to allow the market time to recover from COVID-19 shut down and for suppliers to ascertain their ability to support any new tender, thus giving Doncaster the benefit of the full market on re-opening including any E.U Transitioning factors which need to be considered.
4.5	E&E	Temporary Traffic Management Works	2. Emergency Situation	£180,000	01/04/2020	31/03/2021	The works supplied under this contract are necessary for the Council to carry out maintenance works as part of the statutory duty to maintain the public highway under Section 41 of the Highways Act 1980. A 12 months extension was taken with the existing contracted supplier to ensure the continuation of service delivery during the COVID 19 pandemic. This supplier was awarded the initial contract after a competitive process in 2016 and rates have been agreed for the extension period.

Appendix 3

Total Contracts Award 1st September 2020 to the 28th February 2021 versus the number of waivers

Directorate	Total Contracts Awarded 1 st Sept 20 to 28 th Feb 21	Number of Waivers	% Overall
E&E	58	6	10%
AHW	22	3	14%
LOCYP	68	2	3%
CR	48	4	8%
Total	196	15	8%

The % overall for the period 1st September 2020 to the 28th February 2021 of waivers granted against contract awarded was 8% which is a decrease on the previous period between the 1st July 20 to the 31st August 20 of which was 15%.



Doncaster Council

Report

29th April 2021

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

PROCEDURE FOR HANDLING COMPLAINTS REGARDING ALLEGATIONS OF MEMBER MISCONDUCT – PROPOSED REVISIONS

EXECUTIVE SUMMARY

1. This report outlines proposed revisions to the Council's procedure for handling complaints regarding allegations of Member misconduct in the light of ongoing practical experiences and the recent launch of the Local Government Association's (LGA) Model Code of Conduct for Members.

EXEMPT REPORT

2. N/A

RECOMMENDATION

3. That the Committee considers and approves the revised Procedure for Handling Complaints, as set out in Appendix A to this report.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. Under the Localism Act 2011, the Council has a statutory duty to promote and maintain high standards of conduct for its Elected and Co-opted Members. In discharging this duty, Councils are required to have in place arrangements for investigating allegations of Member misconduct and taking decisions on those allegations.
5. The review of this Council's Procedure for Handling Complaints regarding alleged misconduct by Members should help increase public confidence in local governance through maintaining high standards of conduct by Members and ensuring that the process for dealing with complaints is robust and transparent.

BACKGROUND

6. The Council's procedure for dealing with complaints of alleged Member misconduct was first adopted in June 2008, following the introduction of the local assessment of complaints regime in May 2008, the function having been devolved from the former Standards Board for England. Since that time, various revisions to the procedure have been made in the light of practical experiences encountered over the years in operating the local assessment of complaints.
7. Arising from recent discussions at a Member Briefing and at this Committee's last meeting on the LGA's new Model Code of Conduct and the background processes for dealing with allegations of breaches of the Code, the Monitoring Officer undertook to review the complaint handling procedure and report back to this Committee with any proposed revisions, so that these could be considered in tandem with the new Code.

A copy of the revised Complaint Handling Procedure is attached at **Appendix A** to this report for the Committee's consideration and endorsement. Recommended amendments are indicated by ***bold italics*** to denote new text and deleted text is shown by being struck through with a line.

In summary, the proposed revisions to the Procedure comprise the following:-

- Extending the period for acknowledging complaints by the Monitoring Officer from 3 to 5 working days (paragraph 2.5 of Procedure).
- Clarification that the Code of Conduct applies to all forms of communication and interaction by a Councillor (paragraph 3.2 of Procedure).
- 'Vexatious complaints' (and new definition) added to the list of the types of complaint that the Monitoring Officer will not investigate (paragraph 3.3 a).
- Clarification that complaints will only be accepted for formal consideration/investigation if submitted to the Monitoring Officer using the Council's official Code of Conduct Complaints form (paragraph 3.3 e).
- New wording confirming that the Monitoring Officer will speak to a Councillor who is the subject of a complaint ('the Subject Member') before forwarding the complaint for informal resolution to the Councillor's Group Leader/Political Group or to the Parish Council, if the subject member is a Parish Councillor (paragraph 4.5).

OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION

8. The Council should keep under review the operation of its complaints handling procedure and revise accordingly in light of practical experiences and guidance/advice received. The launch of the new LGA Model Code of Conduct offers the Council a timely opportunity to review the background complaints process that forms part of the wider ethical governance structure within the council. The alternative is not to revise the existing procedure. This option is not recommended.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

9.

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 periodic review of the Council's arrangements for dealing with complaints of alleged misconduct by Members is key to maintaining public confidence in local governance through maintaining robust and transparent processes.</p>

RISKS AND ASSUMPTIONS

10. If the Council does not carry out periodic reviews of the Council's ethical governance arrangements, including the procedure for handling complaints regarding allegations of Member misconduct, there is a risk that standards will be lowered, bad conduct will not be dealt with effectively and public confidence in local democracy will be eroded.
11. It is important that all Members receive training to reduce the risk of Members breaching the Code and complaints being received.

LEGAL IMPLICATIONS [Officer Initials: H M P Date: 1.4.21]

12. The principal statutory provisions relating to standards of conduct for Members are contained in the Localism Act 2011. Section 27(1) of the 2011 Act provides that the Council must promote and maintain high standards of conduct by Members and Co-opted members of the authority.
13. Section 28 of the Localism Act 2011 requires Principal Authorities to have in place arrangements for investigating allegations of Member misconduct and taking decisions on those allegations.

FINANCIAL IMPLICATIONS [Officer Initials: PH Date: 31/03/2021]

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

HUMAN RESOURCES IMPLICATIONS [Officer Initials: KM Date: 31/03/2021]

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

TECHNOLOGY IMPLICATIONS [Officer Initials: ET Date: 30/03/21]

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

HEALTH IMPLICATIONS [Officer Initials: RS Date: 31/03/2021]

17. Good governance is important for healthy organisations and for healthy populations. This Complaint Handling Procedure should support effective governance.

EQUALITY IMPLICATIONS [Officer Initials: JG Date 30/03/2021]

18. The adoption of a robust, clear and transparent Complaint Handling Procedure for alleged Member misconduct will help to ensure that Members, Officers and the public alike understand the process to be followed and enable a fair and consistent approach to be taken when dealing with any complaints of alleged breaches of the Code.

CONSULTATION

19. No formal consultation has been undertaken. The proposals contained in this respect are based on operational experience and feedback received. The Council's Independent Person appointed to assist the Monitoring Officer under the Localism Act 2011, Mr Philip Beavers, has also been consulted and is supportive of the proposed revisions detailed in this report.

BACKGROUND PAPERS

Doncaster Council's Complaint Handling Procedure
LGA Model Code of Conduct for Members

GLOSSARY OF ABBREVIATIONS

LGA – Local Government Association

REPORT AUTHOR & CONTRIBUTORS

Scott Fawcus
Assistant Director -
Legal & Democratic Services and Monitoring Officer
Tel: 01302 734640
E-mail: scott.fawcus@doncaster.gov.uk

Jonathan Goodrum
Senior Governance Officer
Tel. 01302 736709
Email: jonathan.goodrum@doncaster.gov.uk

**Scott Fawcus
Monitoring Officer**

**DONCASTER METROPOLITAN BOROUGH COUNCIL
ARRANGEMENTS FOR HANDLING COMPLAINTS REGARDING
ALLEGATIONS OF MEMBER MISCONDUCT**

1. Introduction

- 1.1 These arrangements are made under Section 28 of the Localism Act 2011. They set out how you may make a complaint if you believe that an elected Member (Councillor) or co-opted member of Doncaster Metropolitan Borough Council or of any Parish/Town Council within the Borough has failed to comply with that Council's Code of Conduct for Members.
- 1.2 A copy of Doncaster Council's Code of Conduct can be downloaded from the Council's [website](#) by accessing 'Code of Conduct for Members' or is available upon request from the Monitoring Officer (MO). Parish and Town Councils are also required to adopt a Code of Conduct. If you wish to inspect a Parish or Town Council's Code of Conduct, you should contact the respective Parish Clerk who will be able to assist you. A list of contact details for Parish Councils can be accessed via Doncaster Council's [website](#). Alternatively, contact the Governance Team - Tel. 01302 736709/736716.

2. Making a Complaint

- 2.1 If you wish to make a complaint about alleged Member misconduct, please contact the Council's MO by email at:

TheMonitoringOfficer@doncaster.gov.uk

Or by writing to the address below:

The Monitoring Officer
Civic Office
Waterdale
Doncaster
DN1 3BU

- 2.2 The MO is a senior officer of the Council who has statutory responsibility for maintaining the register of members' interests and who is responsible for administering the system in respect of complaints of Member misconduct.
- 2.3 **In order to ensure that we have all the information we need to be able to process your complaint, please complete and send us the complaint form,** which can be downloaded from the Council's [website](#). Alternatively, a copy of the complaint form can be requested from the Governance Team - Tel. 01302 736709/736716 or email Democratic.Services@doncaster.gov.uk.

- 2.4 Please provide us with your name and a contact address or email address, so that we can acknowledge receipt of your complaint and keep you informed of its progress.
- 2.5 The MO will acknowledge receipt of a complaint within **3 5 working days** of receiving it.
- 2.6 The MO will determine whether the complaint falls within his/her jurisdiction, i.e. that it relates to the conduct of a Councillor and a possible breach of the Code of Conduct. If the complaint does not meet these criteria, the MO will inform the Complainant accordingly. If it does, the MO will send a copy of the complaint to:
- the Councillor(s) being complained about, unless the MO considers that this may prejudice any investigation or a request for anonymity has been made by the Complainant (and approved by the MO);
 - The Independent Person (IP) (a person appointed under the Localism Act 2011 by the Council to assist the MO in dealing with complaints against Members)
 - The Parish Clerk (if the complaint concerns a Parish Councillor)
- 2.7 If you want to keep your name and address confidential, please indicate this in the space provided on the complaint form. The MO will consider the merits of protecting your identity. The Council does not normally investigate anonymous complaints unless there is a clear public interest in doing so.
- 2.8 If the MO declines your request for anonymity you will be given the option of withdrawing your complaint as an alternative to your complaint going forward with your identity being disclosed. The MO will take a balanced view whether the public interest in taking action on a complaint will outweigh the complainant's wish to have his or her identity withheld from the Councillor who is the subject of the complaint.

3. Criteria for accepting complaints

- 3.1 Your complaint must be about conduct that occurred while the Member complained about was in Office. Conduct of an individual before they were elected, co-opted or appointed to the authority, or after they have resigned or otherwise ceased to be a Member, cannot be considered by the MO.
- 3.2 The complaint must relate to conduct that occurred when the named Member was acting in his/her official capacity. For example, Doncaster Council's Code of Conduct only applies to Councillors in the following circumstances:-
- a. at meetings of the Council, its Committees and Sub-Committees and its Cabinet
 - b. when acting as a representative of the authority
 - c. in taking any decision as a Cabinet member or Ward Councillor
 - d. in discharging their functions as a Ward Councillor
 - e. at briefing meetings with Officers

- f. at site visits
- g. when corresponding with the authority other than in a private capacity.

The Code applies to all forms of communication and interaction, including:-

- **at face-to-face meetings**
- **at online or telephone meetings**
- **in written communication**
- **in verbal communication**
- **in non-verbal communication**
- **in electronic and social media communication, posts, statements and comments.**

What you can complain about

3.3 The types of behaviour covered by the Code of Conduct include:-

- Failing to treat others with respect
- Bullying any person
- Intimidating any person involved in an investigation or proceedings about someone's misconduct
- Doing something to prevent those who work for the authority from being unbiased
- Failing to respect the confidentiality of information received as a Member
- Damaging the reputation of the Member's authority or office
- Using their position as a Member improperly, to their own or someone else's advantage or disadvantage
- Misuse of public resources
- Failure to register Disclosable Pecuniary Interests, as defined in the Code of Conduct for Members
- Failure to declare Disclosable Pecuniary Interests at a meeting (if not already on the Member's Register of Interests) or other interests at meetings
- Failure to notify the Monitoring Officer of any gifts or hospitality received in their role as a Member, worth over £50.

The types of complaint which the MO will not investigate:

- a. Any complaint considered to be malicious, **vexatious**, relatively minor, or tit-for-tat [**Note: a vexatious complaint is a groundless complaint made with an adverse primary intent to cause distress, detriment or harassment to the subject**];
- b. Cases where the same, or substantially similar, complaint has already been the subject of an investigation or enquiry, or where the complaint concerns an alleged incident that occurred more than 3 months ago (unless there are exceptional circumstances);
- c. The complaint concerns acts carried out in a Member's private life;
- d. The complaint is about dissatisfaction with a Council decision or service.

**e. Complaints which are not received in accordance with this policy
i.e. not using the Council's Code of Conduct Complaint form.**

- 3.4 If the MO receives a number of complaints from different complainants about the same matter, he/she will endeavour to deal with these in a manner that is a practical use of time and resources.
- 3.5 Not every complaint that falls within the jurisdiction of the Monitoring Officer will be referred for investigation or other action. The Monitoring Officer must decide whether this is appropriate, having regard to issues such as the public purse. In consultation with the IP, he/she will make this decision taking all relevant factors into account.

4. Assessment of complaints

- 4.1 The MO will determine whether your complaint falls within the scope of the Members' Code of Conduct. If the complaint does relate to the Code of Conduct, the MO will assess the complaint in consultation with the IP.

Role of the IP

- 4.2 The IP is a person who has been appointed under the Localism Act 2011, by a majority of all the Councillors on the Borough Council. The IP must be consulted and have their views taken into account before the Council makes a finding as to whether a Member has failed to comply with the Code of Conduct or decides on action to be taken in respect of that Member. The views of the Independent Person may also be sought at any other stages of the complaints process, or by a Member, Co-opted Member or Parish and Town Council Member against whom an allegation has been made. Note: The IPs do not represent and are not advisors to the Councillor who is the subject of the complaint, but they can assist in providing factual information on the complaints process. The Independent Person must remain completely impartial and objective and cannot take sides. Their role is to assess complaints and form a view on them.
- 4.3 There is no right for the complainant to seek the views of the IP and no such contact will be permitted.
- 4.4 Having consulted with the IP, the MO will take a decision as to whether the complaint merits formal investigation, or whether an alternative course of action (if any) should be taken. The MO will aim to do this within **20** working days of receipt of your complaint and you will then be notified in writing of his decision.
- 4.5 The MO (in consultation with the IP) may decide:-
- that no further action should be taken regarding the allegation.
 - to seek to resolve the complaint informally
 - to forward the complaint to the relevant Group Leader/Political Group for informal resolution (or Parish/Town Council if applicable), **having first discussed the complaint with the subject member**

- to arrange for an investigation to be undertaken in relation to the circumstances of the allegation that has been made.

4.6 If your complaint identifies criminal conduct or breach of other regulation by any person, the MO has the power to call in the Police and other regulatory agencies.

Local resolution

4.7 Where possible, the MO will seek to resolve a complaint informally, without the need for a formal investigation. Informal resolution may involve the Councillor who is complained against accepting that their conduct was unacceptable and offering an apology, or other remedial action recommended by the MO, including:-

- taking such steps as he/she thinks appropriate to prevent a future breach of the Code, such as training, mediation, guidance, introducing or amending policies/protocols of the Council if relevant to the complaint;
- asking the Party Whips to address the issue raised within their political groups or with an individual Member.

4.8 Where the Councillor being complained about offers to make an apology or engage in other remedial measures to achieve a local resolution, but the complainant is not willing to accept that offer, the Monitoring Officer will take account of this in deciding what further action, if any, should be taken.

4.9 The MO's decision will be communicated to the person(s) making the complaint, the Member who is the subject of the allegation and the Clerk of the Parish Council if the complaint is about the behaviour of a Parish Councillor, and reported to the Council's Audit Committee for monitoring purposes.

4.10 There is no right of appeal against the MO's decision.

4.11 Any queries relating to how a complaint is being handled should be directed to the MO (see contact details in paragraph 2.1).

5. Investigation of complaints

5.1 If the MO decides that a Complaint merits formal investigation, he/she will, after consultation with the IP, appoint an Investigating Officer (IO) who may be another senior officer of the Council, an officer of another Council or an appropriately experienced external investigator.

5.2 The IO will decide whether they need to meet or speak to the complainant to understand the nature of the complaint and so that the complainant can explain their understanding of events and suggest what documents the IO needs to see, and who they need to interview.

- 5.3 The IO would normally write to the Councillor who is the subject of the complaint and ask them to provide their explanation of events, and to identify what documents (if any) are relevant to the investigation and who he/she needs to interview. In exceptional cases, the IO may delay notifying the Councillor until the investigation has progressed sufficiently.
- 5.4 At the end of the investigation, the IO will produce a draft report and will send copies of that draft report, in confidence, to the complainant and to the Councillor concerned, to give them both an opportunity to identify any matter in that draft report which they disagree with or which they believe requires more consideration.
- 5.5 Having received and taken account of any comments on the draft report, the IO will send their final report to the MO.

6. What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?

- 6.1 The MO will review the IO's report in consultation with the IP and, if satisfied that the IO's report is sufficient, will send a copy of the IO's final report to the complainant, the Councillor concerned and the Parish Clerk (if appropriate) and notify them that he/she is satisfied that no further action is required.
- 6.2 If the MO is not satisfied that the investigation has been conducted properly, he may ask the IO to reconsider their report.
- 6.3 The outcome of such investigations will be reported to the Council's Audit Committee and the relevant Parish Council (if appropriate) for information.

7. What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?

- 7.1 Where the investigation finds evidence of failure to comply with the Code of Conduct, the MO in consultation with the IP will review the IO's report and will then either send the matter for local hearing before the Council's Audit Committee Hearings Sub-Committee or seek local resolution.

Local Resolution

- 7.2 The MO may consider that the matter can reasonably be resolved without the need for a hearing. In such a case, he will consult with the IP and with the complainant and seek to agree what they consider to be a fair resolution which also helps to ensure higher standards of conduct for the future. (See paragraph 4.7 for examples of possible local resolution measures). If the Councillor complies with the suggested resolution, the MO will report the matter to the Audit Committee and Parish Council (where relevant) for information, but will take no further action.

Local Hearing by the Audit Committee Hearings Sub-Committee

- 7.3 If the MO considers that local resolution is not appropriate or the Councillor concerned is not prepared to undertake any proposed remedial action, such as giving an apology, then the MO will report the Investigating Officer's findings to the Audit Committee Hearings Sub-Committee which will conduct a local hearing before deciding whether the Councillor has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the Councillor.
- 7.4 The Hearings Sub-Committee is a Sub-Committee of the Council's Audit Committee, whose membership comprises Borough Councillors and Independent Members.
- 7.5 The MO will conduct a 'Pre-Hearing process', requiring the Councillor to provide a written response to the IO's report in order to identify in advance what is likely to be agreed and what is likely to be in contention at the hearing, and the Chair of the Hearings Sub-Committee may issue directions as to the manner in which the hearing will be conducted.
- 7.6 At the hearing, the Investigating Officer will present his/her report, call such witnesses as he/she considers necessary and make representations to substantiate his/her conclusion that the Councillor has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask the complainant to attend and give evidence (to call witnesses and to make representations to the hearing). The Councillor will then have an opportunity to give his/her evidence, to call witnesses and to make representations to the hearing as to why he/she considers that he/she did not fail to comply with the Code of Conduct.
- 7.7 The Hearings Sub-Committee, with the benefit of any advice from the IP, may conclude that the Councillor did not fail to comply with the Code of Conduct, and so dismiss the complaint.
- 7.8 If the Hearings Sub-Committee concludes that the member did fail to comply with the Code of Conduct, the Chair will inform the Councillor of this finding and the Hearings Sub-Committee will then consider, in conjunction with any views expressed by the IP, what action, if any, should be taken as a result of the Councillor's failure to comply with the Code of Conduct. In doing this, the Sub-Committee will give the Councillor an opportunity to make representations to the Sub-Committee before coming to its conclusion.
- 8. What action can the Hearings Sub-Committee take where a Member has failed to comply with the Code of Conduct?**
- 8.1 The Council has delegated to the Audit Committee and its Hearings Sub-Committee such of its powers to take action in respect of individual Councillors as may be necessary to promote and maintain high standards of conduct. Accordingly, the Sub-Committee may choose to apply any of the following sanctions:-

- (1) Censure or reprimand the Councillor;
- (2) Publish its findings in respect of the Councillor's conduct;
- (3) Report its findings to Council [or to the respective Parish/Town Council if appropriate], for information;
- (4) Recommend to the Councillor's Group Leader (or in the case of ungrouped Councillors, recommend to Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council;
- (5) Recommend to the Elected Mayor that the Councillor be removed from the Cabinet, or removed from particular Portfolio responsibilities;
- (6) Instruct the Monitoring Officer to *[or recommend that the Parish/Town Council]* arrange training for the Councillor;
- (7) Remove *[or recommend to the Parish/Town Council that it removes]* the Councillor from all outside appointments to which he/she has been appointed or nominated by the Council *[or by the Parish/Town Council]*;
- (8) Withdraw *[or recommend to the Parish/Town Council that it withdraws]* facilities provided to the Councillor by the Council, such as a computer, website and/or email and Internet access; or
- (9) Exclude *[or recommend that the Parish Council exclude]* the Councillor from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings.

The Hearings Sub-Committee has no power to suspend or disqualify the Councillor or to withdraw Members' or Special Responsibility Allowances.

9. What happens after the Hearing?

- 9.1 At the end of the hearing, the Chair will announce the decision of the Sub-Committee as to whether the Member failed to comply with the Code of Conduct and as to any actions which the Sub-Committee resolves to take.
- 9.2 As soon as reasonably practicable thereafter, the MO shall prepare a formal decision notice in consultation with the Chair of the Sub-Committee and the IP, and send a copy to the complainant, the subject member (Councillor) and the Parish Clerk (if appropriate). The decision notice will be made available for public inspection on the Council's website and the outcome of the Hearing will also be reported to the next available meeting of the Audit Committee.

10. Appeals

- 10.1 There is no right of appeal for the complainant or for the subject member (Councillor) against a decision of either the MO or the Audit Committee Hearings Sub-Committee.
- 10.2 If you feel that the Council has failed to deal with your complaint properly, you may make a complaint to the Local Government Ombudsman.

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Doncaster Council

Report

29th April 2021

To the Chair and Members of the AUDIT COMMITTEE

ADOPTION OF A NEW MODEL CODE OF CONDUCT FOR MEMBERS

EXECUTIVE SUMMARY

1. This report presents the Local Government Association's (LGA) new Model Code of Conduct and requests the Audit Committee to consider whether to recommend to Full Council that this should be adopted at its Annual Meeting on 21st May 2021.

EXEMPT REPORT

2. N/A

RECOMMENDATIONS

3. The Committee is asked to:
 - a) RECOMMEND to Full Council that the LGA's Model Member Code of Conduct be adopted;
 - b) RECOMMEND to Full Council that the Monitoring Officer be given delegated powers to grant dispensations to Members on the grounds set out in paragraphs 11 to 15 of this report and that the Audit Committee's Terms of Reference be amended accordingly; and
 - c) Note that a number of other consequential changes to various parts of the Council Constitution arising from the adoption of the revised Code of Conduct will be made by the Monitoring Officer using his existing delegated authority.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. Under the Localism Act 2011, the Council has a statutory duty to promote and maintain high standards of conduct for its Elected and Co-opted Members. In discharging this duty, Councils are required to adopt a Code of

Conduct governing their Elected and Co-opted Members' conduct when acting in that capacity. The review and adoption of a new model Code of Conduct for Members should help increase public confidence in local governance through maintaining high standards of conduct by Members.

BACKGROUND

5. The current Standards Regime and most Council Codes of Conduct date back to the Localism Act 2011 (the Council's current Code of Conduct for Members was adopted on 12th July 2012) and it is an obvious statement that the world has changed substantially since that point and the current Codes did not envisage the impact of Social Media and the occasional issues that those interactions can cause.
6. In 2019, the Committee on Standards in Public Life (CSPL) produced a report into local government ethical standards, its remit was to assure itself that the ethical standards introduced by the Localism Act remains "conducive to promoting and maintaining the standards expected by the public". Whilst the Committee largely satisfied itself that the processes in place were appropriate, its main recommendation was that an updated model Code of Conduct be created, providing consistency across England and to reflect the common expectations of the public regardless of geography or tier. The LGA was tasked with creating an updated model Code, in consultation with representative bodies of councillors and officers of all tiers of local government.
7. The LGA Consultation process on the draft Code ran for 10 weeks from Monday 8 June until Monday 17 August 2020 and consisted of:
 - Workshops of Councillors and Monitoring Officers from across England and Wales to discuss the approach and content of the revised Code
 - 4 webinars conducted with over 1000 participants
 - Over 1600 written responses to the consultation received.
 - Comments, questions and feedback provided during the webinar sessions
 - Stakeholder round-table to discuss the response and next steps took place on 30 September 2020.
8. A key finding from the consultation was the need for further guidance and explanation about key aspects of the code and conduct in general. It was a fundamental aim of the revised code that it should be from the councillor's perspective and a tool to support councillors in achieving and maintaining high standards of conduct. The LGA also had the objective that the code should form the basis of a 'social contract' with the general public, to address issues of public intimidation against councillors and to help set a framework for public and councillor interaction, emphasising the importance of courtesy and respect. A final aim of the model Code was to be concise, written in plain English and be understandable to Members, officers and the public.
9. Following the close of the consultation and the issue of a final national model Code, the Council should now consider whether to adopt the new Code. This Committee is therefore requested to consider the content of the new model Code of Conduct (**Appendix A**) and agree to recommend its adoption to Full

Council. A copy of the Council's current Code is attached at **Appendix B** for comparison.

Key differences between new LGA Model Code of Conduct for Members and Doncaster Council's current Code of Conduct.

10. Outlined below is a summary of the key differences contained in the new Model Code compared to the Council's current Code:-

Purpose of the Code of Conduct

The LGA Model Code includes a new opening paragraph outlining the purpose of the Code.

General Principles of Councillor Conduct

The LGA Code includes a new section outlining general principles of Councillor Conduct, e.g. upholding the Seven Principles of Public Life (aka the Nolan Principles) and...

"In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest."

Application of the Code of Conduct

This section now specifies that the Code applies where a Councillor's actions "...would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a Councillor."

It also outlines that the Code applies to all forms of communication and interaction by Councillors, with a new specific reference to electronic and social media communication, posts, statements and comments. This reflects the legal position as we have understood it but specifically including within the Code will add helpful clarity.

General Conduct

The general conduct guidance in the new Code has been expanded to include more detailed narrative on each obligation, providing helpful examples and definitions. For example, with regard to respect, the Council's current Code states: "You must respect others." Whereas the new Code states:

Respect

"As a Councillor:

- 1.1 I treat other Councillors and members of the public with respect.
- 1.2 I treat Local Authority employees, employees and representatives of partner organisations and those volunteering for the Local Authority with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack. In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor-officer protocol."

General Conduct – other new obligations

The Model Code includes new obligations in relation to:-

- Not harassing any person (includes the legal definition of harassment) and not discriminating unlawfully against any person;
- Complying with the Code – this includes new obligations for Councillors to:-
 - Undertake Code of Conduct training provided by the Local Authority;
 - Co-operate with any Code of Conduct investigation and /or determination; and
 - Comply with any sanction imposed on the Councillor following a finding that they have breached the Code of Conduct.

Interests

The Model Code introduces two tables in relation to members' declaration of interests:-

Table 1 sets out the **Disclosable Pecuniary Interests (DPis)** – these are exactly the same as those already registered/declared by Members under the Council's current Code.

Table 2 sets out **other registrable interests**. These are described as follows in the Model Code:-

“You have a personal interest in any business of your authority where it relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority
- b) any body
 - i) exercising functions of a public nature
 - ii) any body directed to charitable purposes or
 - iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)”

With regard to non-registrable interests (those falling outside the provisions in Tables 1 and 2), the new Code also describes the action to be taken where a matter arises at a meeting which directly relates to, or affects, a Councillor's financial interest or well-being, or those of a friend, relative or close associate.

In practical terms, the provisions in the new Code with regard to Interests are as follows:-

- **Disclosable Pecuniary Interests: -**

Councillors must declare, not participate, or vote and leave the room (subject to dispensation)

This is the same as in the Council's current Code.

- **Other Registrable Interests: -**

Councillors must declare, only speak if the public are allowed to speak, not participate in the discussion or vote and leave the room (subject to dispensation).

This is a departure from the Council's current Code, which permits a Member declaring any interest other than a Disclosable Pecuniary Interest to remain in the meeting and speak and vote on the matter. It does however reflect the position which Councillors were in before 2011, and indeed the position which many of the parish councils across the UK operate.

- **Non-Disclosable Pecuniary Interest Directly Relating to Finance or Well-Being of Councillors or Relative or Close Associate: -**

Councillors must declare, only speak if the public are allowed to speak, not participate in the discussion or vote and leave the room (subject to dispensation).

This is a return to the position which members may recall pre-2011, and follows what the public would expect a member to do – not take part in a decision which they or their family may benefit from.

The requirements with regard to registering interests within 28 days of becoming a Member or re-election or re-appointment to office, and notifying the Monitoring Officer within 28 days of any changes to interests, remain unchanged.

The list of interests in the tables in the Model Code, together with the clear explanation and guidance on action to be taken when interests arise, particularly in meetings, help to provide clarity compared to the wording in the current Code and are to be welcomed. With less ambiguity, Members will have a clearer understanding under the provisions of the Model Code of which interests they should register and declare at meetings. This, in turn, should provide members with greater protection from the risk of challenge and potential complaints in relation to the non-registration/declaration of interests.

As in the current Code, the Model Code retains the facility for a Member to have a 'sensitive interest' in which case they do not have to disclose the nature of the interest.

The Model Code also retains the current requirement for Members to register any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt. The Code also introduces a new requirement for Members to register any significant gift or hospitality that they have been offered but have refused to accept.

Complaints regarding alleged breaches of the Code and Sanctions

The Council's current complaints process with regard to alleged breaches of the Code, and sanctions available to the Audit Hearings Sub-Committee following an investigation, remain unchanged. The LGA's remit was solely to create a new Model Code of Conduct and they have not made any recommendations outside of the scope of their review. On a national level, there is still much debate and lobbying of Government on the need to strengthen the existing powers of Monitoring Officers and Standards Committees in terms of dealing effectively with breaches of the Code, such as the ability to suspend or disqualify Councillors for serious breaches, but this would require primary legislation to make such changes.

The Monitoring Officer has, however, carried out a review of the Council's current Code of Conduct Complaints Handling Procedure and this is the subject of a separate report on today's agenda for the Audit Committee's consideration.

Approval Process & Next Steps

The new Code will have immediate implementation if adopted by Full Council at its Annual Meeting on 21st May 2021. In anticipation of the new Code, following the Elections held on 6th May 2021, all Members will be asked to complete a Register of Interests form based on the requirements of the new Code, to avoid unnecessary confusion and save Members from having to complete 2 different registration forms in quick succession.

Should the new Code be adopted then minor consequential amendments will be required to the Constitution. These will be made by the Monitoring Officer using his existing delegated authority provided in the Constitution:-

‘The Monitoring Officer is authorised to make minor amendments, consequential upon statutory or regulatory change, or to rectify errors, or to update arrangements consequential upon other external factors.’

The Committee on Standards in Public Life intended to provide a Code which was capable of adoption across all tiers of local government with the intention that the current practice use of different codes across an area is ended. If Full Council agree to adopt the proposed code the Monitoring Officer will contact all Parish & Town Council Clerks across the Doncaster Municipal area and encourage them to also adopt the Code.

Reviewing the arrangements for the granting of dispensations to Members

11. The Terms of Reference for this Committee includes the following:

“To grant dispensations to Councillors and Co-opted Members from requirements relating to interests set out in the Members Code of Conduct, where not delegated to the Monitoring Officer.”

12. When the Council agreed its new ethical governance arrangements in 2012 in response to the Localism Act, it agreed the circumstances or grounds in which the power to grant dispensations would be delegated to either the Monitoring Officer or the Audit Committee, as follows:-

- a) That so many members of the decision-making body have DPIs in a matter that it would “impede the transaction of the business”. In practice this means that the decision-making body would be inquorate [**Monitoring Officer, with appeal to the Audit Committee**];
- b) That, without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter. This assumes that Members are predetermined to vote on party lines on the matter, in which case, it would be inappropriate to grant a dispensation to enable them to participate [**Audit Committee**];
- c) That the Council considers that the dispensation is in the interests of persons living in the Authority’s area [**Audit Committee**];

- d) That, without a dispensation, no member of the Cabinet would be able to participate on this matter **[Monitoring Officer, with appeal to the Audit Committee]**; or
 - e) That the Council considers that it is otherwise appropriate to grant a dispensation **[Audit Committee]**.
13. Any grant of a dispensation must specify how long it lasts for, up to a maximum of 4 years.
 14. The Localism Act gave discretion for these powers to be delegated to Standards Committees (in Doncaster's case, the Audit Committee) or to the Monitoring Officer. When the Council considered the delegation of these powers in 2012, it decided that as grounds a) and d) above were largely objective, it was appropriate to delegate dispensations on these grounds to the Monitoring Officer, with an appeal to the Audit Committee, thus enabling dispensations to be granted "at the door of the meeting". In respect of grounds b), c) and e), the view was taken that it was appropriate that the discretion to grant dispensations on these grounds remained with the Audit Committee.
 15. As the new Model Code of Conduct, if adopted, will widen the requirements for Members to declare interests and withdraw from meetings, it is anticipated that there may be an increased demand for dispensations to be granted to Members prior to meetings to enable them to participate and vote on matters, where they meet the criteria detailed above. It is therefore suggested that, for the sake of expediency and to make the process for Members seeking dispensations simple and efficient, the powers currently resting with this Committee to grant dispensations on the grounds detailed in paragraph 12 b), c) and d) above be transferred to the Monitoring Officer, with an appeal to the Audit Committee. The Monitoring Officer will also report to this Committee details of any dispensations granted. If this change is agreed, the Terms of Reference of this Committee will need to be amended accordingly. To do otherwise will create significant issues as there would be a need to hold an audit committee on each occasion to approve a dispensation and in practical terms it will not be possible to arrange such a meeting within the timescales required.

OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION

16. Under the Localism Act, the Council is legally required to adopt a Code of Conduct for Members. For the purposes of this report, there are two options available to the Council in relation to the Code of Conduct:
 - a) To retain the current Code of Conduct (not recommended); or
 - b) To adopt the new LGA Model Code of Conduct (recommended).

The launch of the new LGA Model Code of Conduct offers the Council a timely opportunity to adopt a more robust and up-to-date version of the Code. This contains new guidance and greater clarity for Members on their responsibilities when using social media and on the declaration/registration of other interests falling outside the definition of Disclosable Pecuniary

Interests. It also provides more detailed guidance on Members' general obligations with regard to their behaviour and actions when carrying out their roles as elected representatives in their communities. Voluntary adoption of the Code at this point would be a sign of good practice and good governance.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

17.

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 adoption of a new Member Code of Conduct is key to maintaining public confidence in local governance through maintaining high standards of conduct by Members.</p>

RISKS AND ASSUMPTIONS

18. If the Council does not carry out periodic reviews of the Council's ethical governance arrangements, including the Member Code of Conduct, there is a risk that standards will be lowered, bad conduct will not be dealt with effectively and public confidence in local democracy will be eroded.
19. It is important that all Members receive training to reduce the risk of Members breaching the Code.

LEGAL IMPLICATIONS [Officer Initials: H M P Date: 4.2.21]

20. The principal statutory provisions relating to standards of conduct for Members are contained in the Localism Act 2011. Section 27(1) of the 2011 Act provides that the Council must promote and maintain high standards of conduct by Members and Co-opted members of the authority 21. Sections 27 and 28 of the Localism Act require the Council to adopt a Code of Conduct consistent with the Nolan principles of good governance and to appoint at least one Independent person whose views must be sought and taken into account before the Council makes a decision about an alleged breach of the code that has been investigated.

21. Section 33 of the Localism Act 2011 sets out criteria for the granting of dispensations to Members relieving them from the restrictions concerning participation in meetings where they have a pecuniary interest in an item of business.
22. There is no obligation by the Council to adopt a particular model of the Code of Conduct. The statutory duty is to adopt a code of conduct, which complies with the statutory requirements referred to. It is advisable that the new model code is accepted, as it is readily understandable, deals with some of the weaknesses of the previous Code, and aims to create and maintain public confidence in the role of councillors and local government.

FINANCIAL IMPLICATIONS [Officer Initials: PH Date: 05/02/2021]

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

HUMAN RESOURCES IMPLICATIONS [Officer Initials: RH Date: 09/02/21]

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

TECHNOLOGY IMPLICATIONS [Officer Initials: PW Date: 04/02/21]

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

HEALTH IMPLICATIONS [Officer Initials: RS Date: 05/02/2021]

26. Good governance is important for healthy organisations and for healthy populations. This Code of Conduct should support effective governance.

EQUALITY IMPLICATIONS [Officer Initials: JG Date 1/2/2021]

27. The adoption of a robust, clear and transparent model Code of Conduct will help to ensure that Members, Officers and the public alike understand the standards and obligations expected of our locally elected representatives. It will also ensure that a fair and consistent approach can be taken when dealing with any complaints of alleged breaches of the Code.

CONSULTATION

28. Initial consultation was carried out with the Elected Mayor, Group Leaders, the Chair of the Audit Committee, the Council's Chief Executive and the Head of Internal audit in respect of the new model Code of Conduct and proposed timeframe and decision making route for its adoption. A briefing session open to all Members was also arranged to provide further detail on the content of the new Code and provide an opportunity for Members' questions to be answered. The Council's Independent Person appointed to assist the Monitoring Officer under the Localism Act 2011, Mr Philip Beavers, has also been consulted and is supportive of the new Code.

BACKGROUND PAPERS

LGA Model Code of Conduct for Members

Localism Act 2011.

GLOSSARY OF ABBREVIATIONS

LGA – Local Government Association
CSPL - Committee on Standards in Public Life
DPI – Disclosable Pecuniary Interest

REPORT AUTHOR & CONTRIBUTORS

Scott Fawcus
Assistant Director -
Legal & Democratic Services and Monitoring Officer
Tel: 01302 734640
E-mail: scott.fawcus@doncaster.gov.uk

Jonathan Goodrum
Senior Governance Officer
Tel. 01302 736709
Email: jonathan.goodrum@doncaster.gov.uk

**Scott Fawcus
Monitoring Officer**

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DONCASTER METROPOLITAN BOROUGH COUNCIL

MEMBER CODE OF CONDUCT

Adopted [] May 2021

Definitions

For the purposes of this Code of Conduct, a “councillor” means a member or co-opted member of the Council or a directly elected mayor. A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

a) is a member of any committee or sub-committee of the authority, or;

b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority;

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

“the Council” means Doncaster Metropolitan Borough Council

Purpose of the Code of Conduct

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, Council officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

General principles of councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and Council officers; should uphold the Seven Principles of Public Life, also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of councillor.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my Council's requirements and in the public interest.

Application of the Code of Conduct

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor. The Code of Conduct was adopted by a meeting of Doncaster Metropolitan Borough Council's Full Council Meeting on [] March 2021 and came into force on [] May 2021.

This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:

- you misuse your position as a councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor;

The Code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.

The Council's Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from the Monitoring Officer on any matters that may relate to the Code of Conduct.

Standards of councillor conduct

This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a councillor:

1.1 I treat other councillors and members of the public with respect.

1.2 I treat Council employees, employees and representatives of partner organisations and those volunteering for the Council with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the Council, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and Council employees, where concerns should be raised in line with the Council's councillor-officer protocol.

2. Bullying, harassment and discrimination

As a councillor:

2.1 I do not bully any person.

2.2 I do not harass any person.

2.3 I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the Council's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the council

As a councillor:

3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the Council.

Officers work for the Council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

As a councillor:

4.1 I do not disclose information:

- a. given to me in confidence by anyone
- b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless
 - i. I have received the consent of a person authorised to give it;
 - ii. I am required by law to do so;
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
 - iv. the disclosure is:
 1. reasonable and in the public interest; and
 2. made in good faith and in compliance with the reasonable requirements of the Council; and
 3. I have consulted the Monitoring Officer prior to its release.

4.2 I do not improperly use knowledge gained solely as a result of my role as a councillor for the advancement of myself, my friends, my family members, my employer or my business interests.

4.3 I do not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the Council must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a councillor:

5.1 I do not bring my role or the Council into disrepute.

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other councillors and/or the Council and may lower the public's confidence in your or the Council's ability to discharge your/it's functions. For example, behaviour that is considered dishonest and/or deceitful can bring the Council into disrepute.

You are able to hold the Council and fellow councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the council whilst continuing to adhere to other aspects of this Code of Conduct.

6. Use of position

As a councillor:

6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a member of the Council provides you with certain opportunities, responsibilities and privileges, and you make choices all the time that will affect others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

7. Use of Council resources and facilities

As a councillor:

7.1 I do not misuse council resources.

7.2 I will, when using the resources of the Council or authorising their use by others:

- a. act in accordance with the Council's requirements; and
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of Council or of the office to which I have been elected or appointed.

You may be provided with resources and facilities by the Council to assist you in carrying out your duties as a councillor.

Examples include:

- office support
- stationery
- equipment such as phones, and computers
- transport
- access and use of Council buildings and rooms.

These are given to you to help you carry out your role as a councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the Council's own policies regarding their use.

8. Complying with the Code of Conduct

As a Councillor:

8.1 I undertake Code of Conduct training provided by the Council.

8.2 I cooperate with any Code of Conduct investigation and/or determination.

8.3 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.

8.4 I comply with any sanction imposed on me by the Audit Hearings Sub-Committee following a finding that I have breached the Code of Conduct.

It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the Council or its governance. If you do not understand or are concerned about the Council's processes in handling a complaint you should raise this with your Monitoring Officer.

Protecting your reputation and the reputation of the Council

9. Interests

As a councillor:

9.1 I register and disclose my interests. Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the Council.

You need to register your interests so that the public, Council employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in Table 1, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from the Monitoring Officer.

10. Gifts and hospitality

As a councillor:

10.1 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the Council or from persons who may apply to the Council for any permission, licence or other significant advantage.

10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.

10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept.

In order to protect your position and the reputation of the Council, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer for guidance.

Appendices

Appendix A – The Seven Principles of Public Life

The principles are:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in Table 2 (Other Registerable Interests).

"Disclosable pecuniary interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in Table 1, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which directly relates to one of your Other Registerable Interests (as set out in Table 2), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

8. Where a matter arises at a meeting which affects –

- a. your own financial interest or well-being;
- b. a financial interest or well-being of a friend, relative, close associate; or
- c. a body included in those you need to disclose under Disclosable Pecuniary Interests as set out in Table 1

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter affects your financial interest or well-being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must make sure that any written statement of that decision records the existence and nature of your interest.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Subject

Description

Employment, office, trade, profession or vocation

Any employment, office, trade, profession or vocation carried on for profit or gain.

[Any unpaid directorship or Trustee.]

Sponsorship

Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses.

This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

Contracts

Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —

(a) under which goods or services are to be provided or works are to be executed; and

(b) which has not been fully discharged.

Land and Property

Any beneficial interest in land which is within the area of the council.

'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.

Licenses

Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer

Corporate tenancies

Any tenancy where (to the councillor's knowledge)—

(a) the landlord is the council; and

(b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.

Securities

Any beneficial interest in securities* of a body where—

(a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and

(b) either—

(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or

(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were

* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registerable Interests

You have a personal interest in any business of your authority where it relates to or is likely to affect:

a) any body of which you are in general control or management and to which you are nominated or appointed by your authority

b) any body

(i) exercising functions of a public nature

(ii) any body directed to charitable purposes or

(iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

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Doncaster Metropolitan Borough Council

Code of Conduct for Members

1. Application

- (1) This Code applies to **you** whenever you are acting in your capacity as a member of Doncaster Metropolitan Borough Council, including –
 - 1.1 at meetings of the Council, its Committees and Sub-Committees and its Cabinet
 - 1.2 when acting as a representative of the authority
 - 1.3 in taking any decision as a Cabinet member or a Ward Councillor
 - 1.4 in discharging your functions as a ward Councillor
 - 1.5 at briefing meetings with officers
 - 1.6 at site visits
 - 1.7 when corresponding with the authority other than in a private capacity
- (2) It is your responsibility to comply with the provisions of this Code.
- (3) This Code is based upon the general principles set out in Annex 1 to this Code, which have been adopted by this authority as its ethical values and which incorporate the seven Nolan Principles of Public Life.
- (4) In this Code—

“meeting” means any meeting organised by or on behalf of the authority, including—

 - (a) any meeting of the Council, or a Committee or Sub-Committee of Council
 - (b) any meeting of the Cabinet and any Committee of the Cabinet;
 - (c) in taking a decision as a Ward Councillor or as a Member of the Cabinet;
 - (d) at any briefing by Officers; and
 - (e) at any site visit to do with business of the authority.

“member” includes a co-opted member and an appointed member.
- (5) In relation to a parish council, references to the monitoring officer and standards committee shall be read, respectively, as references to the monitoring officer and the standards committee of Doncaster Metropolitan Borough Council which has functions in relation to the parish council for which it is responsible under Chapter 7 of Part 1 of the Localism Act 2011.

2. General Conduct

You must –

- 2.1 provide leadership to the authority and communities within its area, by personal example;
- 2.2 respect others and not bully any person;
- 2.3 not intimidate or attempt to intimidate any person who is or is likely to be—
 - (i) a complainant,
 - (ii) a witness, or

- (iii) involved in the administration of any investigation or proceedings, in relation to an allegation that a Member (including yourself) has failed to comply with his or her authority's code of conduct;
- 2.4 not do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, your authority;
- 2.5 respect the confidentiality of information which you receive as a Member by:-
 - 2.5.1 not disclosing confidential information to third parties unless required by law to do so or where there is a clear and over-riding public interest in doing so; and
 - 2.5.2 not obstructing third parties' legal rights of access to information
- 2.6 not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute;
- 2.7 use your position as a Member in the public interest and not for personal advantage;
- 2.8 accord with the authority's reasonable rules on the use of public resources for private and political purposes;
- 2.9 exercise your own independent judgement, taking decisions for good and substantial reasons –
 - 2.9.1 attaching appropriate weight to all relevant considerations including, where appropriate, public opinion and the views of political groups;
 - 2.9.2 paying due regard to the advice of Officers, and in particular to the advice of Statutory Officers, namely the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer; and
 - 2.9.3 stating the reasons for your decisions where those reasons are not otherwise apparent
- 2.10 account for your actions, particularly by supporting the authority's scrutiny function;
- 2.11 ensure that the authority acts within the law.

3. Disclosable Pecuniary Interests

A Disclosable Pecuniary Interest is an interest of yourself or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners) within the descriptions set out in Annex 2 to this Code.

You must -

- 3.1 comply with the statutory requirements to register, disclose and withdraw from participating in respect of any matter in which you have a Disclosable Pecuniary Interest;

- 3.2 ensure that your register of interests is kept up to date and notify the Monitoring Officer in writing within 28 days of becoming aware of any change in respect of your Disclosable Pecuniary Interests;
- 3.3 make verbal declaration of the existence and nature of any Disclosable Pecuniary Interest at any meeting at which you are present and where an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent. In these circumstances, you must not participate or vote on the matter. You are only required to declare such an interest if it is not already entered in your Register of Interests or if you have not notified the Monitoring Officer of it. A Member with a Disclosable Pecuniary Interest is required to withdraw from the meeting (including the public gallery) in accordance with the Council's Standing Orders governing conduct at meetings.

4. Other Interests

- 4.1 In addition to the requirements of Paragraph 3, if you attend a meeting at which any item of business is to be considered and you are aware that you have a "Non-Disclosable Pecuniary Interest or Non-Pecuniary Interest" in that item, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent.
- 4.2 You have a "Non-Disclosable Pecuniary Interest or Non-Pecuniary Interest" in an item of business of your authority where –
 - 4.2.1 a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing (including interests in land and easements over land) of you or a member of your family or a person or organisation with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or
 - 4.2.2 it relates to or is likely to affect any of the interests listed in the Table in Annex 2 to this Code, but in respect of a member of your family (other than a partner) or a person with whom you have a close association

and that interest is not a Disclosable Pecuniary Interest.

5. Gifts and Hospitality

- 5.1 You must, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £50 which you have accepted as a member from any person or body other than the authority.

- 5.2 The Monitoring Officer will place your notification on a public register of gifts and hospitality.
- 5.3 This duty to notify the Monitoring Officer does not apply where the gift, benefit or hospitality comes within any description approved by the authority for this purpose.

6. Registration of Members' Interests

Registration of members' interests

- (1) Subject to paragraph 6(3) you must, within 28 days of—
 - (a) this Code being adopted by your authority; or
 - (b) your election or appointment to office (where that is later), register in your authority's register of members' interests (maintained under section 29 of the Localism Act 2011) details of your Disclosable Pecuniary Interests as defined in Annex 2 to this Code, by providing written notification to your authority's Monitoring Officer.
- (2) Subject to paragraph 6(3), you must, within 28 days of becoming aware of any new Disclosable Pecuniary Interest or change to any Disclosable Pecuniary Interest registered under paragraph 6(1), register details of that new Disclosable Pecuniary Interest or change by providing written notification to your authority's Monitoring Officer.

Sensitive information

- (3) Where you consider that the information relating to any of your Disclosable Pecuniary Interests is sensitive information, and your authority's Monitoring Officer agrees, you need not include that information when registering that interest, or, as the case may be, a change to that interest under paragraph 6(1).
- (4) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph 6(1) is no longer sensitive information, notify your authority's Monitoring Officer asking that the information be included in your authority's Register of Members' Interests.
- (5) In this Code, "sensitive information" means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person connected to you may be subjected to violence or intimidation.

7. Dispensations

The authority may grant you a dispensation, but only in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

8. Offences

It is a criminal offence to:

- (i) Fail to notify the Monitoring Officer of any disclosable pecuniary interest within 28 days of election;

- (ii) Fail to disclose a Disclosable Pecuniary Interest at a meeting if it is not on the Register of Member's Interests;
- (iii) Fail to notify the Monitoring Officer within 28 days of a Disclosable Pecuniary Interest that is not on the Register that you have disclosed to a meeting;
- (iv) Participate in any discussion or vote on a matter in which you have a Disclosable Pecuniary Interest;
- (v) As an Executive Member discharging a function acting alone, and having a Disclosable Pecuniary Interest in such a matter, failing to notify the Monitoring Officer within 28 days of the interest;
- (vi) Knowingly or recklessly providing information that is false or misleading in notifying the Monitoring Officer of a Disclosable Pecuniary Interest or in disclosing such interest to a meeting.

The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.

Adopted by Full Council on 12 July 2012.

STATEMENT OF VISION AND VALUES

This Authority adopts the following general principles as its ethical values:-

1. **Selflessness** - Members should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
2. **Integrity** - Members should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
3. **Objectivity** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards or benefits, Members should make choices on merit.
4. **Accountability** - Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should cooperate fully and honestly with any scrutiny appropriate to their particular office.
5. **Openness** - Members should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
6. **Personal Judgement** - Members may take account of the view of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.
7. **Respect for Others** - Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the Authority's Statutory Officers, and its other employees.
8. **Duty to Uphold the Law** - Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.
9. **Stewardship** - Members should do whatever they are able to do to ensure that their Authorities use their resources prudently and in accordance with the law.
10. **Honesty** – Members have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
11. **Leadership** - Members should promote and support these principles by leadership and by example and should act in a way that secures or preserves public confidence.

Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows –

<i>Interest</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one

class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose –

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant authority;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.



Doncaster Council

Report

Date: 29th April 2021

To the Chair and Members of the Audit Committee

2020-21 DRAFT ANNUAL GOVERNANCE STATEMENT

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Ros Jones	N/a	No

EXECUTIVE SUMMARY

1. An annual review of the Council’s governance arrangements and the subsequent preparation and publication of an Annual Governance Statement (AGS) are statutory requirements by virtue of the Accounts and Audit Regulations (England) 2015.

2. The council’s governance arrangements in place during 2020-21 have been reviewed and an Annual Governance Statement has been drafted which shows our governance compliance.

3. We acknowledge that 2020-21 has been a year of new challenges and opportunities as a result of the COVID 19 Pandemic. Despite this all heads of service have shown continued commitment to evidencing that good governance is in place, by completing their self-assessments in a timely and accurate manner. The draft AGS document (Appendix A) shows the following:
 - **3** key areas of improvement have been completed or have been effectively managed to the extent that they were no longer significant. (Page 13)
 - **5** new significant issues arising from the 2020-21 review of effectiveness of the corporate governance arrangements and including the (Pages 5-8)
 - Updates on the **4** key areas identified during previous years that remain an issue in 2020-21 (Pages 9-11).

4. This gives us a total of 9 key areas of focus for 2020-21. This is a slight increase on last year, which is a result of the challenges that have impacted on some statutory service delivery and the continued financial demands of the pandemic.

5. Please note that this document is the draft AGS and some of the key actions to mitigate the weaknesses identified for 2020-21 will be reviewed; and may be improved upon before the production of the final AGS, which is

anticipated to be presented in September 2021 to reflect the final position.

EXEMPT REPORT

6. Not Applicable

RECOMMENDATIONS

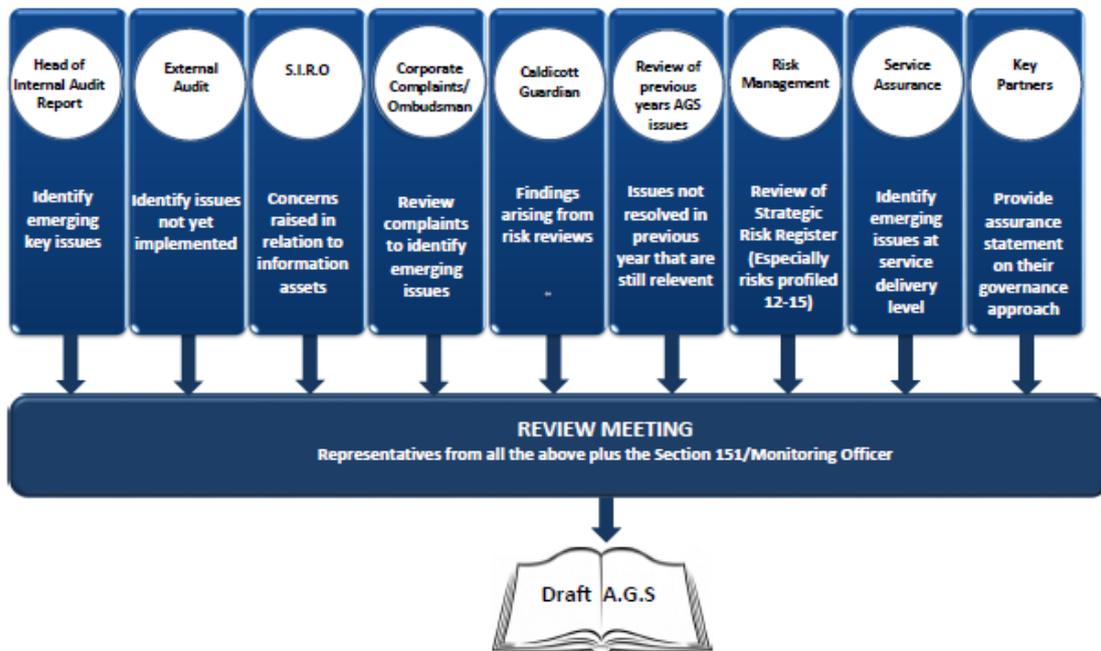
7. The Chair and Members of the Audit Committee are asked to the review and endorse the outline of the draft Annual Governance Statement:
 - prior to being published for consultation as part of the Draft Accounts in July 2021

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. By ensuring that there is good governance and a sound system of internal controls in place the Council will be able to provide the citizens of Doncaster with services that are provided in accordance with the law and proper standards. It will also ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

BACKGROUND

9. The Council is 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 must ensure that there is good governance and a sound system of internal controls in place.
10. Our simplified process amalgamate a top down and bottom up approach, whilst still maintaining confidence in the process. This process was followed again this year and has helped sustain our continued commitment to embedding good governance and processes across the Council. Issues identified that make it onto the AGS are reviewed and updated as part of the quarterly resource management cycle and any items that start to be a concern are elevated to the Governance Group. This allows the Council to react to emerging issues and possibly prevent entry onto a future AGS.
11. Pentana continues to be used to record compliance and/or areas for development and to provide updates for the quarterly Resource Management process
12. A review meeting considers relevant information from a diverse range of internal and external sources, as identified in the diagram below. This meeting facilitates the top down bottom up approach that will produce the 2020-21 Annual Governance Statement from the emerging issues. This year, to strengthen this approach we have consulted with our key partners (Doncaster Culture Leisure Trust, Doncaster Children's Services Trust and St Leger Homes Doncaster) seeking assurance from their own organisation's governance approaches.



13. The production of the AGS has been aligned with the production of the Head of Internal Audit report to allow them both to be considered at the same Audit Committee meeting.

14. The AGS document is a valuable means of communication. It enables the Council to explain its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.

OPTIONS CONSIDERED

15. Not Applicable

REASONS FOR RECOMMENDED OPTION

16. Not Applicable

IMPACT ON THE COUNCIL’S KEY OUTCOMES

17.

	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 Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place</p>

RISKS AND ASSUMPTIONS

18. The production of an Annual Governance Statement is a statutory requirement. The key risk is that failure to produce a statement to meet this requirement would result in an adverse audit report by the Council's external auditor and damage the Council's reputation. The original risk profile is 16 but by producing the Annual Governance Statement and addressing key corporate issues the risk profile is reduced to 8.

LEGAL IMPLICATIONS [Officer Initials SRF Date 24/03/21]

19. The production and publication of an Annual Governance Statement is a statutory requirement by virtue of Regulation 6(1)(b) of the Accounts and Audit Regulations 2015, following a review of the Council's effectiveness of internal controls in terms of the exercise of its functions, financial and operational management and management of risk. The 2015 Regulations and the Council's Constitution also require the findings of that review to be considered by the Audit Committee.

FINANCIAL IMPLICATIONS [Officer Initials MS Date 30/03/21]

20. There are no direct financial implications resulting from this report. The individual elements in the AGS will be subject to specific reporting as required.

HUMAN RESOURCES IMPLICATIONS [Officer Initials RH Date 27/03/21]

21. There are no specific human resources implications resulting from this statement. The organisational workforce requirements are addressed through work with directorates in relation to the workforce strategy.

TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 23/03/21]

22. There are no specific technology implications arising from this report. As outlined in the draft AGS, there is a heightened risk globally of cyber-attacks together with successful attacks on some other authorities. Although Digital & ICT have robust arrangements in place and are implementing further technologies to mitigate the risks as far as possible, it is crucial that the actions outlined under 'Cyber Attack Business Continuity (Principle F) are progressed to ensure that every service area across the Council and Partners have considered the critical impact this would have on their ability to deliver services and how they would operate without technology.

23. The DIPS programme continues to progress well with the major milestone of the Adult Social Care, Residential Financials & Mosaic Portal going live as planned on 22nd March 2021. The remaining deliverables and timescales are outlined under 'Doncaster Integrated People Solution (DIP's) (Principle D)' and quarterly updates will continue to be provided via Pentana.

HEALTH IMPLICATIONS [Officer Initials RS Date 24/03/2021]

24. Whilst there are no immediate health implications from the Annual Governance Statement (AGS) effective governance of civil institutions is a key prerequisite for Health and Wellbeing. Decision makers should consider the extent to which the AGS provides this assurance.

EQUALITY IMPLICATIONS [Officer Initials SWr Date 11/03/2021]

25. In line with the corporate approach for compliance against the equality act 2011 due regard must be shown across all activity within the council. As the Annual Governance Statement draws together a diverse range of activities at a strategic level a due regard statement is not required. All the individual

components that make-up the Annual Governance Statement may require a due regard statement to be completed and reported as and when appropriate.

CONSULTATION

26. Throughout this process consultation is undertaken with Heads of service, Directors, as well as assurance from key areas of governance and our Key partners, which supports the production of the final Annual Governance Statement.

BACKGROUND PAPERS

27. CIPFA/ SOLACE delivering good governance in Local Government Framework
Accounts and Audit Regulations (England) 2015.
Local Code of Corporate Governance 2020-21
2019-20 Annual Governance Statement
Annual Report of the Head of Internal Audit 2019-20

REPORT AUTHORS AND CONTRIBUTIONS

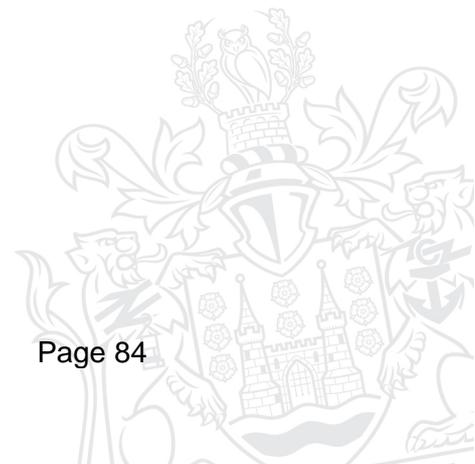
Sennette Wroot, Senior Strategy & Performance Manager
Tel: 01302 862533, E-mail: Sennette.Wroot@doncaster.gov.uk

Debbie Hogg
Director of Corporate Resources



Doncaster
Council

Draft
**ANNUAL GOVERNANCE
STATEMENT
2020/21**



Introduction

2020-21 was a challenging year for our services as the COVID-19 pandemic impacted across the council. Throughout this time our governance arrangements have held strong and allowed us to be both flexible and confident with responding to emerging priorities, changes to service delivery and timely decision making. We continue to follow CIPFA guidance incorporating the recently published updates for the production of the Annual Governance Statement during the pandemic.

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 Policy, Insight and Change Team, 01302 862533

Doncaster Council has considered its position in relation to the CIPFA Financial Management (FM) Code. A key goal of the FM Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. Inevitably, the impact of Covid-19 has tested that financial resilience in 2020/21 and will continue to do so in coming years. Understanding the pressures on local government, CIPFA has concluded that while the first full year of compliance can remain as 2021/2022, it can do so within a more flexible framework where a proportionate approach is encouraged. In accordance with these flexibilities, during 2021/22 Doncaster Council will undertake an assessment of compliance with the principles of the FM code and any outstanding matters or areas for improvement will be incorporated into this statement, prior to final approval.

This statement explains how we have complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 (b), 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 deliver 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 2020 to 31st March 2021, 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, is not currently anticipated until September 2021.

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 plans 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 management actions arising from 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 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, this was

especially important this year with the heightened risk of fraud due to the pandemic;

- Ensuring the Council's surveillance policies are kept up to date and reviewing surveillance carried out by the Council;
- The last year has been unprecedented due to the COVID 19 Pandemic. The committee has actively engaged with the Head of Internal Audit and other officers during this period to understand the nature and depth of challenges relevant to the committee.

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 agree management actions 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 second annual report, presented to Audit Committee in October 2020 they gave an "unqualified audit opinion" on the Council's financial statements for 2019-20 and an unqualified Value for Money (VFM) conclusion for 2019-20. This is consistent with the opinions provided in previous years. Internal Audit were able to provide a positive opinion in their annual report for 2020-21, which alongside the good VFM conclusion, indicates there are sound risk, governance and control arrangements in place.

These positive opinions are especially important during the current coronavirus pandemic and provide reassurance during a period where these arrangements have been subject to considerable "stress-tests"

Overall, the Grant Thornton annual report was an extremely positive one as it has been in previous years and with the "unqualified audit opinion", recognising 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. Responses to audit queries were also provided in a timely manner.

Additionally, both the preparation of accounts and their audit, all had to be carried out virtually which presented its own challenges. Nevertheless, this was all completed within statutory deadlines which was not the case for many other authorities nationally and the work of all parties in achieving this is acknowledged

The 2020/21 audit will commence in July 2021 (date to be confirmed) and Grant Thornton are anticipated to present their annual report to Audit Committee in September 2021.

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 Policy Insight and Change team 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 a key governance position within the authority including the Head of Internal Audit, the Caldicott Guardian, Senior information Risk Owner, Section 151 Officer and Monitoring Officer. The current strategic risk register and complaints received are also reviewed. The service area perspective, including that of key partner organisations, is provided by each Head of Service via a series of governance statements in the form of a self-assessment and other information provided. The individual statements are reviewed and an overall declaration provided by the relevant Assistant Director, which is then summarised to create a single return for the Director to review and update as required.

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.

As stated earlier, our governance arrangements have held strong and our administration arrangements effective during these unprecedented times. The Council has maintained adherence to our Financial Procedure Rules and Contract Procedure Rules, for example, progressing variations to contacts delivering Adult Services and the procurement of Personal Protective Equipment. On behalf of the Government, the Council has also administered significant additional business rate reliefs and grants to businesses. Including the added complexities of some of the funding being channelled via the Sheffield City Region (SCR) and the discretionary nature of some of the support payments.

The Council's approach has been to undertake proactive checks to verify business credentials before any payments were released. This has had the effect of minimising the Council's fraud exposure, but as with all fraud, it is impossible to stop completely. The report to Audit Committee on 27 January 2021, Preventing and Detecting fraud and error – October 2019 to September 2020, outlined the payment of 5,419 grants with a combined value of £57.9m, covering both government prescribed grants and discretionary grants available during the reporting period. During this period only 22 cases of fraud or error were detected, which represents 0.4% of grants paid out in this respect (by number), amounting to £271k. These schemes remain open and will be for some time, therefore the Council remains alert and continues to manage the associated risks.

The Council's Constitution allows for urgent decisions to be taken and implemented immediately. Such decisions are referred to as Rule 16 Decisions and do not require 28 days advance notice publication on the Forward Plan and may not be called-in by Councillors. The Constitution requires that such decisions may only be taken if the Chair of the Council's Overview & Scrutiny Committee agrees that the decision is urgent. Traditionally such decisions are rarely taken, however the response to the Covid-19 pandemic has led to 34 such decisions being utilised in the past 12 months. Most decision making has been in relation to the acceptance and utilisation of Covid-19 response grants. In all such instances all appropriate scrutiny has been taken (including notifying all Councillors of decisions taken) and the process demonstrates that Council decision making can be agile and responsive to urgent circumstances. A report detailing the annual use of Rule 16 decisions was presented to Council on 1st March 2021

Significant governance issues identified in 2020-21

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 2020-21 Annual Governance Statement process:

ISSUE: Food Safety and Trading standards inspection arrangements (Principle D)

There is continued reduction of capacity to complete some areas of statutory work, especially around food safety. This is due to the high level of Covid compliance work being undertaken by Environmental Health Officers, risk around Covid control while undertaking inspections and the issue is further complicated by a national shortage of qualified officers.

We have reported this to The Food Standards Agency (national regulator) so they are aware and supportive of our revised approach, which is similar to that of other local authorities at this time.

The Covid pandemic and reprioritisation of the services' resources has resulted in a significant number of management actions agreed, following an Internal Audit review during 2019 being unable to be implemented during the 2020/21 year.

Actions:

- Undertake another recruitment exercise in the near future.
- In the meantime we will continue with our prioritisation of services and keep all our relevant bodies informed of further progress.

Completion Date:
March 2022

<ul style="list-style-type: none"> Management actions from the internal audit have been regularly reviewed and addressed when possible alongside any mitigating factors and actions. The majority of these have now been addressed and the remainder have revised dates agreed for their implementation. <p>Responsible Officer: David Coulson - Assistant Director Environment Dan Swaine – Director of Economy and Environment</p>	
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<p>ISSUE: Partnership Recovery & Resilience in relation to DCST (Principle F) The effects from the last twelve months, including floods and Covid, resulting in increased demand and reduced workforce capacity, impacting on quality and performance</p>	
<p>Actions:</p> <ul style="list-style-type: none"> A Children’s Recovery and Resilience programme has been established and a Board co-commissioned by DMBC and DCST to oversee developments. Additional investment has been provided to support for the programme including DCST capacity for fostering, care proceedings and quality and improvement. Details of the full programme can be found here: https://doncaster.moderngov.co.uk/ieListDocuments.aspx?CId=131&MId=3485 <p>Responsible Officer: Leanne Hornsby - Assistant Director, Education, Skills, Culture and Heritage Riana Nelson – Director of Learning, Opportunities and Skills</p>	<p>Completion Date: March 2022</p>

<p>ISSUE: Cyber Attack Business Continuity (Principle F) Due to the heightened risk globally and successful cyber-attacks on some other authorities despite the technical security measures taken and in place, the Council, DCST and SLHD business preparedness in response to a cyber-attack should be reviewed further to ensure that every service area across the Council and Partners have considered the critical impact this would have on their ability to deliver services and how they would operate without technology.</p>	
<p>Actions:</p> <ul style="list-style-type: none"> Review all existing business continuity plans to ensure how all services would operate successfully without technology is covered. Prepare a ready-made Communication Plan that could be initiated immediately. Have a ready-made organisation/s action plan. Pre-agree what the organisation/s would need to look like as a minimum. Review the prioritised list of business systems by the order the organisation would need them restored. Run a major cyber-attack response and recovery test scenario across the Council and partners to test the service business 	<p>Completion Date: October 2021</p>

ISSUE: Ensuring building safety compliance

The Grenfell disaster galvanised national action to ensure that all buildings area safe. Doncaster was quick off the mark to address fire safety in its high rise properties. But the legacy of the disaster is the enhanced scrutiny and regulatory enforcement on all elements of building safety compliance. In this context St Leger Homes Doncaster needs to ensure it understand the inherent risks relating to the stock it manages, has accurate data, robust systems for managing that data and takes swift action to remedy defects when they arise.

Actions:

St Leger Homes Doncaster will invite external scrutiny of its compliance arrangements, putting in place a ‘health check’ of all compliance functions. We will put in place a new dedicated compliance database to modernise our record keeping and make the management of our data and the activity required to manage it more efficiently. We will ensure that we have the right staff to manage these functions and that all relevant staff have the required training and competencies to undertake their roles. We will also put in place new governance and oversight arrangements to ensure that our Board and the council have confidence in our management of these issues.

Responsible Officer:

Dave Richmond – Chief Executive, St Leger Homes of Doncaster
Dan Swaine – Director of Economy and Environment

Completion

Date:

March 2022

DRAFT

An update on Key Improvement Areas that were previously identified and remain an issue in 2020-21

<p>ISSUE: Governance Functions (Principle E)</p> <p>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.</p>	
<p>Actions:</p> <p>A training event will be held as part of the Senior Management Meetings for all senior staff (down to Head of service) to attend to improve awareness of key governance policies, procedures and arrangements that are in place to support senior managers</p> <p>Responsible Officer:</p> <p>Scott Fawcus - Assistant Director Legal & Democratic Services Debbie Hogg – Director of Corporate Resources</p>	<p>Completion Date:</p> <p>June 2021</p>
<p>ISSUE: Adult Social Care Market Sustainability (Principle D)</p> <p>The potential impacts include:</p> <ul style="list-style-type: none"> • 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. • Longer term impact of Covid on Market in terms of reduced occupancy levels 	
<p>Actions:</p> <ul style="list-style-type: none"> • 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. • 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 • Market Position Statement is being drafted with key elements relating to Adult Social Care Markets e.g Care Homes and Dom Care etc • Throughout Covid all providers have been RAG rated against risk factors including financial sustainability. This is overseen via the Market Oversight Group which meets monthly to review all high risk provision. • Strategic Care Provision Group which is chaired by DASS and attended by commissioning partners. • Financial Support and additional investment has been delivered to help providers navigate the demands and meet costs throughout 	<p>Completion Date:</p> <p>Key actions are ongoing with timescales in place for Market Position Statement. Review end of Quarter 1 (June 2021).</p>

the pandemic. Responsible Officers: Phil Holmes – Director of Adults, Health & Wellbeing	
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<p>ISSUE: Organisational Workforce (Principle E)</p> <p>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.</p> <p>As an organisation we need to systematically identify and address critical skills gaps now and for the future; retain, develop and deploy resources to ensure services can be delivered to a high standard and are value for money.</p> <p>Specifically focussing on current and emerging recruitment and retention difficulties and skill shortages for appropriately qualified staff in certain occupational groups of social workers, occupational therapists and environmental health officers, which need to be addressed.</p>	
<p>Actions:</p> <p>To be monitored and addressed through priority actions included in this year’s workforce strategy 2021/22, specifically:</p> <ul style="list-style-type: none"> • Development and implementation of a Recruitment and Resourcing Policy, focusing on effective ways of recruiting people with the right skills and behaviours including career pathways and succession planning options • Attracting and engaging a talented workforce including apprenticeship and graduate talent, as well as considering specific recruitment campaign where gaps in workforce arise • Ensuring leadership development, learning and training programmes meet current and future needs <p>Responsible Officer: Jill Parker – Assistant Director - HR, Communications & Executive Office Debbie Hogg – Director of Corporate Resources</p>	<p>Completion Date: March 2022</p>

<p>ISSUE: Doncaster Integrated People Solution (DIP’s) (Principle D)</p> <p>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. The programme is progressing well after delays due to the Covid situation and it is hoped further delays are not required. 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>	
<p>Actions:</p> <ul style="list-style-type: none"> • Review and redesign of all business processes. • Implement new Children’s Social Care Management solution for use by the Council, Doncaster Children’s Services Trust and other key partners. • Implement new Adult Social Care Management solution to be used by the Council and key partners. 	<p>Completion Date: November 2021</p>

- Implement new Education Management Solution to be used by the Council and key partners.
- Implement new associated financial solutions.
- Implement all key integrations with other key systems including joining up with health, financials etc.
- Implement Citizen, Professional & Provider Portals
- Migration of all required data from many solutions.
- Train all users of these solutions across partners and providers.
- Decommission all the legacy solutions.
- Education Transport module (Go Live November 2021)

Most of Education Management is now successfully implemented and being used daily across partners and providers to deliver services. Adult Social Care, Residential Financials & Mosaic Portal are due to go live 22nd March 2021, with the Adult non Residential finances and provider portal due late spring / early summer. Children Social Care & Financials are planned to go live in Summer 2021. An additional Education Transport module is hoped to go live in November 2021.

Responsible Officer:

Julie Grant – Assistant Director of Customers, Digital & ICT

Debbie Hogg – Director of Corporate Resources

DRAFT

Statement of Commitment

We have been advised of the implications of the result of the 2020-21 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

DRAFT

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 2020-21. These are:

- ❖ **Data Quality Arrangements (Principle D)** - The data quality issue has been addressed by a series of interventions aimed at correcting historic problems and improving practice standards. At the end of the data quality improvement project, these practice standards have been mainstreamed into normal service. The risk of poor data quality impacting the planned implementation of the new case management system in social care has been reduced significantly by work undertaken during this project. The expectation is that this improvement will be sustained in future practice, and this issue has been stepped down, but it will continue to be monitored as a business-as-usual activity.
- ❖ **Data Quality Arrangements within the Assistive Technology Service (Principle C)** - The issue identified has been addressed with assurance arrangements considered business as usual and completed daily. 97% complete in issuing new contracts, data cleansing is ongoing to maintain accurate records and appropriate measures are in place to ensure customer safety when querying the service options and potentially cancelling the service.
- ❖ **Assurance over Financial Resilience and Service Sustainability in response to COVID 19 (Principle F)** – Whilst the Council’s governance arrangements appear to have held strong during the COVID-19 response period, our financial position was exposed and dependent upon central government fully reimbursing us for the additional budget pressures. Over the last year we have monitored COVID related cost pressures and income losses alongside our normal monthly monitoring processes. Additional monitoring information has been provided in the quarterly Finance & Performance monitoring reports and completed returns sent to MHCLG on a monthly basis. The quarterly Finance and Performance monitoring report approved budget transfers during the financial year that ensured services had sufficient budgets to meet cost pressures and to reduce income targets. We are continuing to project a balanced budget position for 2020/21 due to careful management of budgets and specific COVID-19 grant funding received.

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Doncaster Council

Report

Date: 29th April 2021

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

ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2020/21

EXECUTIVE SUMMARY

1. This report provides information on the work of Internal Audit during 2020/21, as set out in Appendix 1, including the Head of Internal Audit's overall opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. This report also supports the annual review of the Council's governance arrangements and the subsequent preparation and publication of an Annual Governance Statement (AGS).
2. The critical overall factor to be considered is whether there has been sufficient work done directly by the team or utilising other sources of assurance to be able to form a view on the Council's governance, risk management and control arrangements as required by the audit standards.
3. As noted elsewhere in the report, despite the challenges and changes to work undertaken by the team, the Head of Internal Audit has confirmed sufficient work has been carried out to be able to form such an opinion.
4. On the basis of the reasons set out and covered in detail within the report, the Head of Internal Audit considers that the Council's governance, risk management and control arrangements for 2020/21 were adequate and operated effectively during the year.

Implementation of Agreed Management Actions arising from Audit Recommendations

5. There were 50 management actions overdue as at 11th April. The majority of the overdue management actions are in Economy and Environment and 30 of the 35 identified there relate to the audit of the Trading Standards and Food and Animal Safety audit. Management are actively working with the Internal Audit team to seek their implementation at the earliest appropriate opportunity given their current prioritisation of resources into COVID-19 pandemic work and post Brexit requirements allied with a national shortage of suitable qualified officers.

Areas of Concern

6. The inability of the Trading Standards and Food Safety Team to discharge all its statutory duties has been only one area of significant weakness identified by Internal Audit for consideration for inclusion in the Council's 2020/21 Annual Governance Statement (AGS).
7. North Bridge Stores was given a "no assurance" rating at the end of our review. The issue and concerns were highlighted as part of the Annual Governance Statement review meeting with input from key officers with Governance responsibilities as set out in paragraph 5.8. This group assessed the issue as being predominantly a control related issue that good governance and risk management had mitigated potential consequences and impacts of these issues. It was not therefore included within the Annual Governance Statement. Instead, It was agreed to be highlighted within the Annual report of the Head of Internal Audit as a key area to note.
8. Other areas of concern highlighted with the report were the academisation of a primary school and an investigation into the financial administration of a primary school.
9. The Head of Internal Audit also confirms conformance with the Public Sector Internal Audit Standards as detailed in paragraphs 4.18-4.24 of Appendix A.

EXEMPT REPORT

6. Not applicable, for information only.

RECOMMENDATIONS

7. The Audit Committee is asked:
 - To note the Internal Audit Annual Report for 2020/21, including confirmation that the Council's governance, risk management and control arrangements were adequate and operated effectively during the year. This is of fundamental importance in this most challenging of years.
 - To note the Head of Internal Audit's self-assessment and the

confirmation from the external peer assessment in 2016/17 that the service is compliant with the Public Sector Internal Audit Standards.

- To note the decision made for the Head of Internal Audit from Rotherham Council to lead on an external assessment of the Doncaster Internal Audit Service in late 2021 as part of arrangements between Calderdale, Kirklees, Rotherham and Doncaster Council's Internal Audit Services.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. 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

9. 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

10. Not applicable - for information only.

REASONS FOR RECOMMENDED OPTION

11. Not applicable - for information only.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

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

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

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

	<p>assets and strengths</p> <ul style="list-style-type: none"> • Working with our partners and residents to provide effective leadership and governance 	<p>arrangements within the Council and its partners.</p>
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RISKS AND ASSUMPTIONS

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

LEGAL IMPLICATIONS (SRF, 19/04/21)

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

FINANCIAL IMPLICATIONS (ST, 20/04/21)

15. There are no specific financial implications associated with this report. The budget for the service has been reviewed and is not expected to be a pressure on the Council's overall financial position.

HUMAN RESOURCE IMPLICATIONS (KM, 19/04/21)

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

TECHNOLOGY IMPLICATIONS (PW, 20/04/21)

17. There are no specific technology implications associated with this report. As outlined in the report, a detailed risk assessment of our ICT risks has been carried out by another local authority's ICT Internal Audit Team. Resulting prioritised actions have either been delivered, are in progress or are planned to mitigate these, where applicable.

HEALTH IMPLICATIONS (RS, 20/04/21)

18. Good governance is essential for effective organisations. Effective internal audit contributes to the effective discharge of the council's public health duties. The consideration of the addition of Trading Standards and the Food Safety Team to the Annual Governance Statement should help reduce this weakness and reduce any risk to the health of the public.

EQUALITY IMPLICATIONS (PRJ, 18/04/2021)

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

CONSULTATION

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

BACKGROUND PAPERS

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

REPORT AUTHOR & CONTRIBUTORS

Peter Jackson, Head of Internal Audit,

Telephone 01302 862938

E-Mail peter.jackson@dochester.gov.uk

**Peter Jackson FCCA
Head of Internal Audit**

ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2020/21

1. Purpose of the report

- 1.1 The report has been prepared by the Council's Head of Internal Audit. The aim of the report is to provide information on the role of Internal Audit and the work undertaken during the past year, and to support the statement prepared by the Head of Internal Audit providing his opinion on the Council's Risk, Governance, and Control arrangements.
- 1.2 This report also supports the annual review of the Council's governance arrangements and the subsequent preparation and publication of an Annual Governance Statement (AGS)

2. Introduction

- 2.1 The 2020/21 year has been exceptional for the Internal Audit team in terms of the wider support given to the Council as a whole during the initial COVID-19 pandemic response period and then assessing the implications and work required from an Internal Audit perspective during the remainder of the year
- 2.2 It is not the intention of this report to give a detailed summary of each of the audits that have been undertaken during the year but to provide a broad review of the work of the service, which alongside other arrangements culminates in the issuing of an annual opinion on the Council's risk, governance and control arrangements. This is an especially important opinion in this year when these arrangements have been "stress-tested" to an extent that seemed unimaginable in little over a year ago. More detailed summaries of the work undertaken has been provided regularly through the year in the quarterly internal audit progress reports to Audit Committee.

3. Legislation Surrounding Internal Audit

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

audit opinion based on an objective assessment of the framework of governance, risk management and control.

4. **Reviewing the Service**

Internal Audit Resources

- 4.1 Internal Audit commenced the 2020/21 year with an establishment of 8.61 and this remained unchanged throughout the year.
- 4.2 These resources also provide a long standing Internal Audit service to St Leger Homes throughout the year for which the service receives a fee.
- 4.3 A careful approach to risk based planning and robust performance management of our resources has been essential given the level of available resources. It is the opinion of the Head of Internal Audit that sufficient work was delivered to provide an adequate level of assurance about the Council’s risk, governance and control arrangements for the 2020/21 year to those responsible for governance which includes the Audit Committee, The Chief Executive and his Management Team and the Chief Financial Officer.

Audit Work Undertaken

- 4.4 A breakdown of time spent in 2021/21 is summarised below: The service delivered 1262 chargeable audit days during the year, which was 93% of the budgeted level.

Internal Audit Plan v Actual Days April 2020 to March 2021

	Original Plan		Revised Plan		Final Position	
	March 2020		June 2020		March 2021	
	Plan	%	Plan	%	Actual	%
Assurance Work	980	72.5%	729	53.9%	473	37.5%
Consultancy Work	61	4.5%	61	4.5%	84	6.7%
Responsive Work	232	17.1%	475	35.1%	630	49.9%
Follow-up Work	79	5.9%	87	6.5%	75	5.9%
Total	1352	100%	1352	100%	1262	100%

- 4.5 Whilst the team have delivered a different workload to that planned, it can be seen that the number of chargeable days has been largely maintained.

The key points are that:

- Whilst less traditional assurance work has been undertaken, other work carried out by the team, especially the responsive work has gained assurance over, as well as contributing to, risk, governance and control arrangements.

- The volume of work delivered has been largely maintained and covered a sufficient width and breath of the Council's arrangements on a risk prioritised basis.
- Accordingly, the Head of Internal Audit is able to provide a full unqualified opinion over these arrangements

4.6 Significantly greater levels of responsive work were delivered during the COVID-19 pandemic response period in quarter one particularly but this support continued throughout the rest of the year and our work in providing assurance over Covid-19 monies will continue into 2021 and beyond. During the rest of the year, further priority was given to ensuring sufficient work on traditional assurance type work was completed to enable the Head of Audit to form an opinion on the Council's risk, governance and control arrangements.

Further detail on the work delivered and assurances gained are set out further within this report

Implementation of Agreed Management Actions arising from Audit Recommendations

4.7 Minimal work had been carried out doing our usual follow ups during the first quarter of the 2020/21 financial year due to the council-wide reprioritisation of resources. This council-wide prioritisation of resources resulted in a notable rise in actions that became overdue. This was understandable and did not reflect negatively on management. From quarter two onwards, after the organisational steer to step services back up and get back to core delivery, we worked extensively with management to successfully implement a number actions and where this was not possible we worked with management to agree appropriate revised timescales and mitigations that could be put into place prior to full implementation. We also agreed prioritisation of actions where possible i.e. with a view to mitigating higher risks at the earliest opportunity. Some revised dates had to be extended to reflect the ongoing COVID-19 pandemic and other work prioritisations.

4.8 The pandemic continued throughout the year and this resulted in a much lower number of new actions being raised for the following reasons:

- A significantly increased amount of work undertaken has resulted in substantial assurance opinions being given.
- Higher levels of advisory and investigative work.
- More work has been done this year to support wider council operations.
- Internal Audit and Directorate Management have continued the practice of rigorously pursuing the completion of all actions

following a written note of concern to the Chief Executive from the Audit Committee about this subject.

- Higher levels of work in progress due to the currently longer duration and increased time needed for some types of audit.

4.9 A review of this area covering the last five years does identify that good progress is being maintained in overall terms. Between the 2014/15 and 2016/17 years there were over 100 overdue management actions and as can be seen now, the situation is very much more under control. The 2020/21 year has obviously been very exceptional in overall terms and in this area also. Further commentary is set out below.

Directorate	Number of high risk level recommendations overdue					Number of medium / lower risk level recommendations overdue				
	At 06/04 17	At 15/03 18	At 19/03 19	At 10/03 20	At 11/04 21	At 06/04 17	At 15/03 18	At 19/03 19	At 10/03 20	At 11/04 21
Adults, Health and Wellbeing (AHWb)	2	3	4	1	0	20	8	30	0	3
Economy & Environment (EE)	0	1	0	3	4	37	15	9	10	31
Corporate Resources (CR)	5	0	0	0	0	21	14	3	7	12
Learning & Opportunities (Children & Young People) (LOCYP)	12	0	0	0	0	16	5	3	0	0
TOTAL	19	4	4	4	4	94	42	45	17	46

4.10 The majority of the overdue management actions are in Economy and Environment and 30 of the 35 identified there relate to the audit of the Trading Standards and Food and Animal Safety audit. This was a wide-ranging audit, which resulted in a large number of actions (36) and was finalised late 2019. Due to the COVID-19 Pandemic it has been difficult for the Team to implement the agreed management actions with 30 of these actions remaining outstanding. They all had revised estimated implementation dates of 31st March 2021 which have unfortunately been unable to be met. We are actively working with management to seek their implementation at the earliest appropriate opportunity given their current prioritisation of resources into COVID-19 pandemic work and post Brexit requirements allied with a national shortage of suitable qualified officers.

4.11 Any individual high risk level management actions that are not implemented in line with agreed timescales as well as number of lower level actions are reported as part of the Council's quarterly Performance

Management Framework, as well as being routinely reported to Audit Committee. Additionally, regular reports are provided to Directorate Management teams and to the relevant Assistant Director who must also authorise any time extensions requested by their managers.

Performance Indicators

4.12 The indicators are shown below along with current performance for the year April 2020 to March 2021.

Performance Indicator	Target	April to March	Variance
Draft reports issued within 15 days of field work being completed	90%	100%	10%
Final reports issued within 5 days of customer response	90%	100%	10%
% of critical or major recommendations agreed	100%	100%	-
Percentage of Customer Satisfaction Surveys rated Satisfactory or above	90%	100%	+10%

4.13 Planned work completed is not being reported as is has been concluded that this is not a relevant indicator in this most unprecedented of years. Regional and national discussions have suggested more meaningful information is around a qualitative assessment of the work delivered by the team and the impact it has had on the organisation rather than a quantitative assessment around a plan drafted before the COVID-19 pandemic and therefore not reflecting the ever evolving organisational needs.

4.14 Equally, percentage of jobs completed within 110% of budget is not deemed a relevant indicator with work undertaken being flexed to address new and emerging risks within the area under review and operational difficulties within the service or area under review and that of the Internal Audit team, i.e. in working virtually from home for the entirety of the year being reported upon. This position will continue for some time yet and it is considered highly unlikely that the team will return to the previous way of predominantly office based working. Planned time for future work takes these factors into account and this indicator is anticipated to be monitored during the 2021/22 year.

4.15 Results relating to high risk rated recommendations remain very positive. There has also been an improvement in the timeliness of issuing internal audit reports, with every report issued within target timescales within our control. This has been aided by the lesser amounts of reports issued.

4.16 At the end of every completed audit, clients are asked to feedback their rating of the auditor's performance. It should be noted that we have

received very few customer feedback responses to date and being conscious of management workloads and capacity, we have not pressed this matter. It could be assumed that the fact we have received no response means that the customers have been satisfied with the work that has been undertaken and informal feedback indicates this is the case. It is intended to step up this area again in the 2021/22 year.

- 4.17 The critical overall factor to be considered is whether there has been sufficient work done directly by the team or utilising other sources of assurance to be able to form a view on the Council's governance, risk management and control arrangements as required by the audit standards.

As noted elsewhere in this report, despite the challenges and changes to work undertaken by the team the Head of Internal Audit has confirmed sufficient work has been carried out to be able to form such an opinion.

Compliance with the Public Sector Internal Audit Standards (PSIAS)

- 4.18 The Head of Internal Audit is required to report on Internal Audit's compliance with the internal audit standards. Basic requirements for this are as follows:

- The Head of Internal Audit periodically reviews the internal audit charter and strategy and presents it to senior management and the Audit Committee for approval. A revised Charter and Strategy was approved at the July 2019 Audit Committee. These are still considered fit for purpose but will be reviewed in summer 2021 to reflect both strategic and operational changes as a result on the COVID-19 pandemic and other developmental areas.
- The Internal Audit service is organisationally independent.
- There is a Quality Assurance and Improvement Programme (QAIP), the results of which are reported to senior management and the Audit Committee.
- There is an external assessment of the service conducted every five years. Kirklees Council's Internal Audit Service reviewed our compliance with the Standards during 2016/17 (see below).
- All instances of non-compliance with the UKPSIAS are reported to the Audit Committee.

- 4.19 The Head of Internal Audit has undertaken a self-assessment as required by the standards. He has concluded that Internal Audit is compliant with the requirements of the standards, that audit standards have been maintained and that the Service has continued to develop in line with standards and the expectation of Internal Audit adding value to the organisation. This is an important assessment for this last year when the Internal Audit Standards Advisory Board (our professional standards setters) confirmed in May 2020 that professional standards were expected

to be maintained despite the challenges presented by the Covid-19 pandemic.

External Assessment

- 4.20 Auditing standards require an external assessment of the Internal Audit service to be conducted at least once every five years. In February 2017, Internal Audit was reviewed by the Head of Internal Audit and the Audit Manager from Kirklees Council. A separate report was produced following the external assessment and this was reported to the Audit Committee at its meeting on 6 April 2017.
- 4.21 The assessment confirmed that Doncaster's Internal Audit meets the highest of the three possible ratings within the standards, i.e. that the service "Generally Conforms" with the standards.
- 4.22 This is an important assessment as it enables the Audit Committee and other key stakeholders to have confidence that the annual opinion of the Head of Internal Audit is supported by a professional and competent service and is evidenced based. It provides stakeholders with the reassurance that they can place reliance on the quality of the work that Internal Audit delivers.
- 4.23 Members of the Audit Committee were consulted in January 2020 and updated in January 2021 regarding the next peer review and they agreed for the Head of Internal Audit from Rotherham Council to lead on an external assessment of the Doncaster team in late 2021 as part of arrangements between Calderdale, Kirklees, Rotherham and Doncaster Council's Internal Audit Services. The plan currently allows for these assessment to take place but the timings of these will be reviewed in light of any further impact from the pandemic.

Quality Assurance Improvement Programme

- 4.24 This year's quality assurance improvement programme included:
- A sample of jobs has been reviewed and this showed continuing substantial compliance with the audit standards.
 - A review of the sections arrangements to meet the standards was carried out against a checklist in the Local Government Application Note and this confirmed the team was still operating in a compliant manner with the standards.
 - A review of the staffing resource within the team will be undertaken to ensure the team continue to meet the requirements of the audit standards and the expectations of the Council, and represents good value for money.

5. Summary of Findings from Audit Reviews

- 5.1 Internal Audit provides an ‘opinion’ on the control environment for all systems which are examined. The 4 level assurance model, which has been used for several years, is in line with a recommendations made by the CIPFA Internal Audit Special Interest Group. However, the definitions recommended for the four assurance levels have now also been adopted. A “limited” or “no assurance” opinion is generally given where one or more high level risks are identified in the area under examination.
- 5.2 Full information on Internal Audit work completed and outcomes is included in our regular progress reports to the Audit Committee. During 2020/2021, the large majority of areas audited received positive audit opinions. Summary details are provided below (para 5.6 onwards) for areas where significant weaknesses were found and reported.

Item for Inclusion with the Annual Governance Statement

- 5.3 There has been one area of significant weakness identified, sufficient for us to recommend inclusion in the Council’s Annual Governance Statement. The details for this are summarised below.

Trading Standards and Inspection Arrangements

- 5.4 There is continued reduction of capacity to complete some areas of statutory work, especially around food safety. This is due to the high level of Covid compliance work being undertaken by EHOs, risk around Covid control while undertaking inspections and the issue is further complicated by a national shortage of qualified officers.
- 5.5 This has been reported, by the Council, to The Food Standards Agency (national regulator) so they are aware and supportive of our revised approach, which is similar to that of other local authorities at this time.
- 5.6 The Covid-19 pandemic and reprioritisation of the services’ resources has resulted in a significant number of management actions agreed, following an Internal Audit review during 2019 being unable to be implemented during the 2020/21 year.

Other Areas of Significant Concerns

- 5.7 The following areas of work identify concerns of a significant nature:

North Bridge Stores

- 5.8 This area was given a “no assurance” rating at the end of our review. The issue and concerns were highlighted as part of the Annual Governance Statement review meeting with input from key officers with Governance responsibilities as set out in Paragraph 9.17. This group assessed the issue as being predominantly a control related issue that good

governance and risk management had mitigated potential consequences and impacts of these issues. It was not therefore included within the Annual Governance Statement. Instead, It was agreed to be been highlighted within the Annual report of the Head of Internal Audit as a key area to note.

5.9 A limited assurance opinion was issued for the 2019/20 stores audit based on the number of weaknesses identified at that time. In addition to this, also at this time, the limited scale of regular stock takes and subsequent review of discrepancies identified (variances), which had been undertaken since the introduction of the new inventory management system (November 2017), gave rise to concern over the timely identification of any possible losses through fraud or error.

5.10 As a result of the 2019/20 audit work completed, 26 recommendations were made.

Weaknesses / improvements identified included:

- Limited stock takes had been undertaken since the implementation of the new system in November 2017.
- Written procedures covering the Inventory Management system were drafted as a support by the Financial Systems Development Officer during the system implementation and handed over to the Stores Manager to review/finalise. These had not been reviewed by Stores staff to ensure that they work on the ground. Nor had additional procedures been written to document the “stores only” processes that were in operation around the Inventory Management system.
- Once further familiarisation was made with the Inventory Management system, existing stock monitoring processes were reviewed and exception reporting was developed to ensure that the service was operating as efficiently and effectively as possible and any potential anomalies were identified on a timely basis for investigating or correcting.

5.11 All recommendations had been implemented and a follow up review was planned for the 2020/21 financial year to confirm the continued effectiveness of the changes and identify any possible other uncontrolled risks in this area.

5.12 Due to the Covid-19 pandemic the follow up review was not undertaken as planned. Instead Internal Audit reviewed Personal Protective Equipment (PPE) stockholding and control arrangements at North Bridge Stores. It became clear from this work that issues identified from previous audits were again taking place and corrective actions had fallen away again.

5.13 A process driven review is to be carried out, implementing measures to address issues that have been highlighted during the work undertaken on

PPE stockholding control and the previous audit report, together with addressing any issues raised following stakeholder meetings. Internal Audit will assist with the process where required and will be bringing regular updates to the Audit Committee.

Primary School Academisation

- 5.14 Significant investigative work was undertaken at a Doncaster Primary School due to governance concerns and complaints that had been raised over several issues / behaviours during its academisation process.
- 5.15 The work was undertaken at the request of the Director of Learning, Opportunity and Skills. The objective of the work was to establish if the School had undertaken a fair and transparent process in a manner such that the Academisation could be approved by the Department for Education.
- 5.16 It was concluded that the School's decision to convert to academy status and the journey the school undertook was predetermined with many flaws with the process.
- 5.17 This led onto a series of learning points that have been fully reported and concluded within a separate internal audit report for the Director of Learning, Opportunity and Skills.

Primary School Investigation

- 5.18 Significant investigative work has been undertaken at a Doncaster primary school relating to the school's administration of finances. Whilst the investigative work has now been completed, there is further work in supporting the school in implementing new or revised systems and processes. This school operates its own bank account and has less support and oversight from the Council. Consequently, other schools operating their own bank accounts are planned to be reviewed during the 21/22 year to ensure that lessons learned from this review can be applied elsewhere and gain additional benefit from the work carried out to date.

Key Audit Work Undertaken During the Year

Main Financial Systems

- 5.19 As part of the annual audit plan, Internal Audit undertakes a programme of reviews that covers the main financial systems of the Council. Internal Audit work in these areas is examined by the External Auditors who utilise it as appropriate for their own audit of the Council's annual accounts. The External Auditor for 2020/21 is Grant Thornton with whom we have

developed effective working relationships since their appointment in December 2017.

- 5.20 We have given positive assurances about the control arrangements in the Council's main financial systems and around arrangements managing the risk of fraud and corruption for the work completed to date. There are no areas of concerns identified in any ongoing work.

ICT Work

- 5.21 We engaged the expertise of another local authority's ICT Internal Audit Team in early 2020 who have over thirty other public body clients. They carried out a detailed risk assessment over our ICT risks from which an audit needs assessment was generated. In the fast developing arena of ICT we considered it prudent for that assessment to be reviewed again which it was in December 2020 and this positive assessment of our ICT arrangements is an important assurance in this key risk area.

Schools

- 6.1 Internal Audit also completed the following work in schools in 2020/21:
- Provision of advice as requested from schools in relation to financial internal controls.
 - Provision of information, advice and support to the Governors' Support Service to ensure audit and governance issues are consistently dealt with across all schools
 - Provision of advice as requested in relation to the School Financial Value Standard (SFVS) both to schools and Finance
 - A review of the School Financial Value Standard (SFVS) process to ensure all schools have returned their SFVS and Internal Control Statement on time.
 - Provision of advice and support in relation to updating and reviewing the School's Whistleblowing Process.

7. Grant Work.

Covid-19 - Business Rates Grants Post Assurance work

- 7.1 A significant amount of time has been spent in undertaking assurance and anti-fraud checks. The result so far have been extremely positive in terms of a very low incidence of identified fraud. These were reported upon in the Annual Fraud report and as at January 2021, 28.9% of grant applications were refused (for numerous reasons, not all of which were related to fraud with issues over a lack of clarity around the grant funding and some speculative applications being made). Fraud or error was detected in 0.4% of grants paid (by number).

- 7.2 This was a very positive outcome from the strategy to carry out up-front checks before making payments amounting to £58m. Further work continues in this area and results to date have continued to be positive with ongoing low incidents of fraud identified

Covid-19 – Other Grants

- 7.3 Throughout the Covid-19 pandemic there have been various other grants that the Council has administered outside of Business Rate Grants
- 7.4 Many of these have been on behalf of the Government such as support for Social Care providers, individuals on low incomes having to self isolate and to fund intensive testing within the Borough.
- 7.5 There have also been Council generated grants, such as the Fighting Back Fund and the Ward Based member grants that were being awarded in the response period of the Covid-19 pandemic in 2020.
- 7.6 Internal Audit have been carrying risk assessments on these grants to assess the processes that are in place and to establish if there are any that require a more in depth review, which may be because there is a statutory return required or the risk and complexity of that grant necessitates further work. All such work undertaken in this area has been positive and contributes to the overall opinion of the Head of Internal Audit.
- 7.7 Regular and more detailed reporting will be provided to the Audit Committee on all the Covid-19 Grants as our work progresses over the coming months.

Other Grants – unrelated to Covid-19

- 7.8 The team every year undertake reviews of grants covering several areas of the Council. These include monthly Troubled Families Grants, three separate Highways grants, a monthly grant return for funding educational provision and transport related grants. All these grants were able to be positively signed off contributing to opinions over control

8. Responsive/Consultancy and Investigative Work

- 8.1 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 year we have continued to undertake work in support of the Authority response to the Covid-19 situation, although this is considerable less than in the first quarter of the year. A summary of the important / significant pieces of work that have been completed or are still ongoing are set out below.

8.2 Examples of suspected irregularities and other supportive / advisory work included below do not change the audit opinion that, overall, the arrangements in place for preventing and detecting fraud and corruption are satisfactory and do not have a detrimental impact on the overall control environment. This is consistent with the assessment in the Annual Fraud report and further supported through extensive analysis in the Counter Fraud Activity Report. Instead, this work actually contributes to a positive opinion.

Audit Area	Work Undertaken
COVID-19 Responsive Work	
Communities Cell Work	<p>Attendance at the Communities Cell calls / catch up meetings giving advice and guidance.</p> <p>Attendance at Voluntary, Charity, and Faith Sector (VCFS) Workstream Cell meetings.</p> <p>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> <p>Review of a Community Group's operations.</p> <p>There is still continued attendance at VCFS Workstream Cell meetings for awareness and provision of advice where required.</p>
Excess Deaths and Data Cells Work	<p>Supporting SPU in daily monitoring and reporting on local deaths (using data from Coroners and Registrars). Modelling death data using national models.</p> <p>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.</p> <p>Daily monitoring and reporting on local deaths (using data from Coroners and Registrars).</p> <p>Analysing COVID death rates among the population and in care homes.</p> <p>Analysing death rates in hospital and the community.</p>

Audit Area	Work Undertaken
Finance and Procurement	<p>Attendance at the Finance and Procurement Cell Meetings.</p> <p>Involvement with the Business Rates Grant payment process and Post assurance work.</p> <p>Assistance with PPE stockholding control.</p> <p>Infection control grant letters sent to care providers informing of grants awarded.</p> <p>A second stage complaint regarding the supplier relief scheme was received and investigated by Internal Audit.</p>
Customer Services Support	<p>A member of the audit team had been increasing the Customer Services resource by taking calls from the public and helping them complete self-isolation forms alongside undertaking other Internal Audit work.</p>
Support to Registrars	<p>Two members of the audit team were on standby to receive training to register deaths should this be required.</p> <p>One team member provided periodic admin support in the issuing of death certificates, as required.</p>
Support to Adults, Health and Wellbeing to release their essential staff for frontline duties	<p>Support has been provided in improving data in the system to support fees and charges.</p>
Doncaster Community Fund Grants	<p>Fighting Back Fund</p> <ul style="list-style-type: none"> • Provided guidance and advice. <p>Members Ward Budgets</p> <ul style="list-style-type: none"> • Provided guidance and advice. • Development of the grant award process. • Issuing the letter / agreement once approval has been given. <p>Chasing the return of signed agreements.</p> <p>A review is currently being undertaken on both of these grants and the results will be reported to Audit Committee in the usual way.</p>
Local Authority Compliance & Enforcement Grant	<p>Sign off the grant and return the declaration to the Ministry of Housing, Communities and Local Government by 31st March 2021.</p>

Audit Area	Work Undertaken
<u>Ad Hoc Advice / Consultancy Work</u>	
Adult Social Care Fees and Charges Implementation Support	This extensive piece of work is now complete bar any ad hoc / residual issues and has put billing and reconciliation arrangements in place which were not previously possible.
Doncaster East Internal Drainage Board (DEIDB)	<p>Support was provided to the Board in finalising a governance review of a major project. Independent consultants were engaged to support this review and their findings assessed by the Board.</p> <p>Their work has now been finalised and the Internal Audit Interim report has been finalised and reported to the Board with a series of actions agreed to finalise this work which has been ongoing for over five years due to issues beyond our control.</p>
<u>Fraud / Anti-Fraud / Investigations</u>	
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.
School Academisation	Support has been provided to the School Improvement Team in reviewing the academisation process at a school and to identify improvement points in future academisations and over governance arrangements in this area.
Primary School Investigation	Significant investigative work has been undertaken at a Doncaster primary school relating to the school's administration of finances. Whilst the investigative work has been completed, disciplinary action is still ongoing and there is further work in supporting the school in implementing new or revised systems and processes

9. Assessment of the Council's Governance, Risk Management and Control Arrangements for the Year to 31st March 2021 by the Head of Internal Audit

- 9.1 Based upon the audit work undertaken and from other sources of assurance it has been possible to complete an assessment on the overall adequacy and effectiveness of the Council's governance, risk management and control arrangements.
- 9.2 Internal Audit's work is designed to review arrangements around risk, governance and control with the scope of its work covering all the Council's activities. An individual audit can cover any or all of these three aspects and therefore it is not appropriate to fully assign opinions to one specific area of risk governance and control for the plan of work delivered or often even at an individual audit level. Instead a holistic view has to be taken when utilising this work in looking at assurance over the risk governance and control arrangements.
- 9.3 Whilst audit resources have been used in a different way in the first few weeks of the year as summarised above, there has been assurance gained over these arrangements that have been subjected to maximum stress because of the pandemic and this was reassuring. Consequences of the Covid-19 pandemic continued throughout the year and are clearly going to continue for a long timescale. For the Internal Audit Team, this has involved us in assessing the Covid-19 grants received from central government from both an assurance perspective and also a fraud perspective. Currently all work in this area has provided positive assurance.
- 9.4 We also mapped out and assessed other changes and impacts as a result of the Covid-19 pandemic, assessing any risk governance and control implications from these. These have been covered on a risk basis with either no further work being deemed necessary, a light touch review or covered within audits carried out in those areas affected. I have been considering the implications of the ever evolving impacts on the Council and the consequent demands on the work of the team and how this will inform my annual opinion over the authority's risk management, governance and control arrangements as the year has progressed.
- 9.5 Throughout the year, there had been no identified serious breakdown in these arrangements with the exception of the Personal Protective Equipment (PPE) stockholding and control arrangements at North Bridge Stores as noted at paragraph 5.6. Our work there resulted in a "no assurance" opinion with previously identified shortcomings in control arrangements again becoming apparent. Robust arrangements are being established to remedy the underlying problems.

9.6 Despite the problems over PPE, I have maintained confidence in being able to provide an opinion that would be both positive and without limitation, although caveats had always been attached to that opinion.

9.7 This position has been documented during the Internal Audit progress reports issued during the year.

As the year progressed other sources of assurance emerged:

- A positive Annual Governance Statement for 2019/20 had been drafted at April 2020 and the refreshed draft at June 2020 remained positive as it did upon finalisation of the accounts in October 2020.
- A positive Annual Governance Statement for 2020/21 has been drafted at April 2021.
- A positive Annual Fraud report reporting low incidence of fraud in both normal operations and over Covid-19 grants.
- An encouraging compliance with Contract Procedure Rules with sound governance being maintained in this high risk area. This also included the stepping down of Adults Commissioning being subject to annual reporting following many breaches and waivers in this area in previous years.
- A positive Annual report of the Audit Committee demonstrates this key committee discharging its responsibilities throughout the year and highlighting the positive contribution it has made or noted.
- There are also embedded and ongoing arrangements within the Council such as the quarterly reporting processes which form part of our risk governance and control arrangements

9.8 Accordingly, with the assurance from the year to date in managing with the pandemic, the ongoing assessment of risk and reprioritisation of the audit plan, I have concluded that it is appropriate to give a positive opinion without limitation. Further factors supporting this opinion are set out below.

Risk Management

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

9.10 The 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. We strive to embed risk management within our planning and business processes and into our organisational culture, creating an environment in which we can successfully meet our objectives and achieve continuous improvement in service delivery.

9.11 The risk, the risk profile and the mitigating action against each activity are recorded collectively in the form of risk registers. All corporate risk registers within The Council are recorded on Pentana, and monitored and reviewed in line with this Risk Management Strategy. Risk Registers are structured as follows:

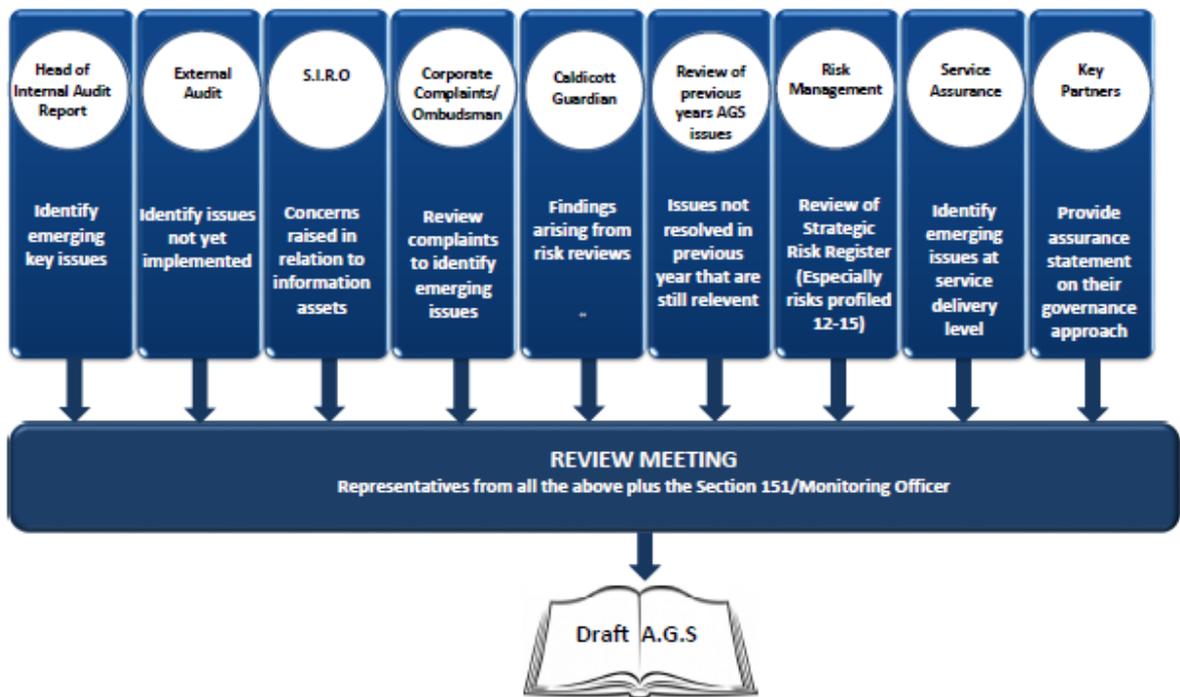
- **Operational Risk Register:** All risks identified with the delivery of the Service are identified in the Head of Service Operational Risk Register. Operational risks will be reviewed at directorate level as part of the Resource Management process.
- **Strategic Risk Register:** Any risk from the operational risk register that may prevent or delay the delivery of The Council's shared priorities, or that may prevent or delay the delivery of the internal cross-cutting actions needed by The Council to improve performance and underpin the Borough Strategy may be elevated to a Strategic Risk. In addition, new or emerging risks may be added directly to the strategic risk register either through the Resource Management process or from the weekly Directors Meeting. Strategic risks are initially reviewed as part of the Resource Management process by the Corporate Governance Group and then as part of the Resource Management Overview meeting. These risks are then be reported to Executive Board, Cabinet and Audit Committee.
- **Programme & Project Register:** All risks associated with the delivery of high level Programmes and projects and are directly managed within the governance of the programme or project. A specific example of this in 2020/21 was the COVID-19 pandemic risk register being used to inform management strategy and response as the pandemic continued to evolve
- **Fraud Risk Register:** The Fraud Risk Register is a specific register dedicated to the assessment, monitoring and treatment of the risks relating to fraud and corruption. It is an integral part of the Risk Management strategy designed to focus attention on minimising the damage caused by fraud and corruption.

The fraud risk register will be used by both management and Internal Audit Services to focus anti-fraud and corruption resources and training on raising the awareness of fraud and corruption and its associated effects. Fraud Risks are regularly reviewed and reported upon by the Council's Internal Audit function, including this year, in the Counter Fraud Strategy Report as well as referenced in the Annual Fraud Report. The Fraud Risk Register is a key tool in the planning and direction of proactive fraud work set out in the Counter fraud plan forming an integral part of the overall Internal Audit Plan for the 2021/22 Year.

- 9.12 Our risk assessments undertaken for our annual audit planning purposes and ongoing reviews of our audit plan are carried out with services, their service management and other teams, generally within Corporate Resources.
- 9.13 We engaged the expertise of another local authority's ICT Internal Audit Team in early 2020 who have over thirty other public body clients. They carried out a detailed risk assessment over our ICT risks from which an audit needs assessment was generated. In the fast developing arena of ICT we considered it prudent for that assessment to be reviewed again which it was in December 2020 and this positive assessment of our ICT arrangements is an important assurance in this key risk area.
- 9.14 All the above factors continue to indicate well managed levels of risks which help provide high levels of assurance over the authority's risk management arrangements.
- 9.15 On the basis of these factors I can attain sufficient confidence to be able to provide a positive opinion over the authority's risk management arrangements.

Governance

- 9.16 Internal audit must assess and make appropriate recommendations for the improvement of governance processes including ethics and values within the organisation.
- 9.17 Our overarching documented source of assurance is the Annual Governance Statement and the processes supporting its production. This year's AGS takes into account issues raised by key officers with Governance responsibilities including the Council's Chief Financial Officer, the Monitoring Officer, and the Head of Internal Audit. The current strategic risk register and complaints received are also reviewed as is the input from other key areas as set out below.



- 9.18 The service area perspective is provided by each Head of Service via a series of governance statements in the form of a self-assessment. One of the assessments this year was regarding the impact of the Covid-19 pandemic on the service and service users. The responses provided supported our understanding of Covid-19 pandemic impact and this was reassuring as it confirmed we had been able to maintain our corporate insight of the organisation despite the challenges presented by the pandemic
- 9.19 The draft Annual Governance Statement is considered to be a very positive document detailing a similar low number of issues to the previous year. Internal Audit's work indicated no areas for inclusion in the Statement other than the ongoing demand and resource issue within the Trading Standards and Food Safety Team which we had been maintaining a watching brief over during the year.
- 9.20 The positive view presented by the document was consistent with the outcomes of the work Internal Audit has carried out during the year covering the authority's governance arrangements. The governance assurance was particularly strong in considering the Covid-19 pandemic response arrangements during quarter one and then the arrangements thereafter.
- 9.21 Whilst we highlighted shortcomings in the academisation of a primary school, we agreed actions for management to improve arrangements for other schools looking to academise.

9.22 On the basis of these factors I can attain sufficient confidence to be able to provide a positive opinion over the authority's governance arrangements.

Control

- 9.23 The internal audit activity must assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.
- 9.24 Internal Audit covered a lesser amount of planned work in this area than was envisaged within the original plan in 2020/21. However a great width and depth of coverage was achieved from all of the work we delivered during the year. Such work included the initial Covid-19 response period support and subsequent assessment of service process and offer changes and the ongoing work we are carrying out over the Covid-19 grants received from central government which at the date of drafting this report stands at over £150m.
- 9.25 We have still delivered a further range of control related work, most notably the core financial systems which we continue to give high level assurance opinions over. Our work on the traditional, non-Covid-19 related grants also continues to positively support my control opinion.
- 9.26 I have referenced elsewhere in my report the shortcomings in the stockholding and control arrangements over Personal Protective Equipment at North Bridge Stores and as stated previously these were existing concerns highlighted in previous audit reports with the Covid-19 pandemic stress testing the arrangements and exposing the shortcomings needed to be addressed. As such this does not create a negative impact on my opinion over control arrangements, it actually is a positive reinforcement of our insight and opinions over this area.
- 9.27 The annual fraud report provides key assurance also for control work. It stated:
- Overall incidence of fraud remains very low in general terms, taking into account the scale of the Council's activities. Proactive counter fraud activities to prevent and detect fraud and error early continue to be a focus in the Council's strategy.
 - The fraud landscape for the council has changed significantly over the period covered by this report with the Covid-19 pandemic providing additional challenges. The government's approach to supporting businesses affected by Covid-19 and temporarily closed by Covid-19 restrictions, was to introduce various business rates grants and reliefs. Administered by local councils on behalf of the government, these grants were rolled out at fast pace and represented a significant new fraud opportunity for fraudsters to

exploit. Additional grants and reliefs were available in the following areas:

- Small business rates relief
 - Rural rate relief
 - Retail hospitality and leisure relief
 - Discretionary grants
- The Council's approach to these grants was to undertake proactive checks to verify business credentials before any payments were released. This has had the effect of minimising the Council's fraud exposure, but as with all fraud, it is impossible to stop completely. The Council paid 5,419 grants with a combined value of £57.9m during the period to the end of this report (January 2021). This covers both government prescribed grants and discretionary grants available during the reporting period.
- 9.28 A further report on counter fraud activity highlights further proactive work to be carried out including strengthening this area through the continued development through data analytics etc.
- 9.29 Whilst there are other factors associated with a low level of overdue management actions that address audit recommendations, assurance and confidence can be gained from this position over the control aspect but also in the governance and risk arrangements.
- 9.30 Assurance from Contract Procedure Rules breaches and waivers identified during the year has been encouraging in demonstrating both control and governance have been maintained by services experiencing previously unseen levels of demand and challenges, but still ensuring goods and services were procured and commissioned in an appropriate manner which stood up to public scrutiny. The lead, drive and support provided by the Strategic Procurement Team has been paramount in this regard.
- 9.31 On the basis of these factors I can attain sufficient confidence to be able to provide a positive opinion over the authority's control arrangements.

Overall Opinion

- 9.32 I have set out in this section the work undertaken and the factors I have had to take into account in arriving at this opinion. I need to take this opportunity to highlight that my ability to make this assessment would not have been possible without the work of my team. The team is rich in depth and knowledge of the organisation and in their skill sets which made them so particularly adaptable in the supporting the organisation during the first quarter of the year in particular, but very much so also in the periods following that.

9.33 Their insight and judgement has been paramount in all their work and I thank them all for their dedication, application and professionalism in this most challenging of years.

Accordingly, on the basis of reasons set out above, the Head of Internal Audit considers that the Council's governance, risk management and control arrangements for 2020/21 were adequate and operated effectively during the year.

**Peter Jackson
Head of Internal Audit
18th April 2021**

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Doncaster Council

Report – Internal Audit Plan 2021/22

To the Chair and Members of the AUDIT COMMITTEE

INTERNAL AUDIT PLAN 2021/22

EXECUTIVE SUMMARY

1. This report presents the Annual Internal Audit Plan for 2021/22 which has been created following a review of risks and controls of Council activities (including partnership activities).
2. The plan (attached to this report) conforms to UK Public Sector Internal Audit Standards (UKPSIAS); these are the professional internal audit standards.
3. The level of audit resource has fallen very slightly from 8.61 FTEs in 2020/21 to 8.41 FTEs in 2021/22. The Head of Internal Audit will be assessing the structure of the team against the needs of the Council in the near future to ensure the team are appropriately resourced to deliver its services to the Council, St Leger Homes and other partner organisations. Our “assurance reserves” have been reduced in the 2020/21 year and will not be increased with the priority work required during the 2021/22 year with the amount of additional work needed related to the Covid-19 pandemic.
4. Section 7 of the report highlights important factors we have taken into account. Key factors include: increased allowances for contingency and proactive and reactive work, works associated with Covid grant verification work and core work we need to do to discharge our internal audit responsibilities. All of these and the other factors detailed within the report set out the strategy to deal with another year of undoubted uncertainty and the need for the plan to remain at all times fluid and responsive to the needs of the council.
5. “Fighting Fraud and Corruption Locally” Guidance issued in 2020 has resulted in the audit plan being presented in a different way to previous years in that it has a plan for both non-fraud and fraud related work. Having a clearly set out plan of our proactive and reactive fraud work is a particularly important feature of the overall work programme of the team for this year. This is due to the many millions of pounds of central government Covid grant monies and support made available to the Council from 2020/21 and continuing into the 2021/22 year alongside a heightened risk of other fraud due to the pressures created by the Covid-19 pandemic. This plan needs to be considered alongside the Counter Fraud Activity Report which details proposed coverage of the 290 days in the summary below.

The proposed audit plan can be summarised as follows:

2020/21 Audit Plan

2021/22 Audit Plan

Breakdown of the Plan By Type of Work

	Days	Plan %		Days	Plan %
Assurance Work	729	53.9%	Assurance Work	653	50.0%
Consultancy Work	61	4.5%	Consultancy Work	87	6.7%
Responsive Work*	475	35.1%	Responsive Work*	220	16.8%
Followup Work	87	6.5%	Followup Work	56	4.3%
			Fraud Plan	290	22.2%
<i>Total</i>	1352	100%	<i>Total</i>	1306	100%

*Responsive work includes time set aside to deal with in year identified issues, an allowance to give proactive advice where needed and an allowance for contingency items.

Breakdown of Assurance and Consultancy Work by Directorate (Excluding ongoing work)

Days	%	Directorate	Days	%
51	6.5%	Adults, Health and Wellbeing	72	9.6%
243	30.8%	Corporate Resources	294	39.8%
62	7.8%	Learning and Opportunities	98	13.2%
29	3.7%	Economy and Environment	80	10.8%
405	51.2%	Council Wide	196	26.6%

Comparisons between the two years plans is extremely difficult as the figure stated for 2020/21 include the large amount of responsive time required in responding to the Covid-19 pandemic and the 2021/22 plan has now had all fraud type work separately categorised. The amount of time for Corporate Resources Directorate work is higher in these last two years. The amount of time for Adults, Health and Wellbeing, Learning and Opportunities and Economy and Environment work is lower than previous years, reflecting “core” work that must be done which is primarily in Corporate Resources. We also have to deliver the responsive and fraud work leaving less time available for the other Directorates.

6. Taking into account all the above factors and the strategy adopted to respond to the ongoing challenges for the team and the council as a whole, 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 the 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 further impacts of the Covid-19 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.

RECOMMENDATIONS

7. The Audit Committee is asked to
- support the principles and strategy underpinning the 2021/22 Internal Audit Plan set out in section 1 and expanded upon in section 7 of the Internal Audit Plan report and
 - consequently support the plan itself as it stands as set out in Appendix A, noting the necessity for future and ongoing reviews of the plan whenever it is appropriate to do and accordingly to approve the plan.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

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

BACKGROUND

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

OPTIONS CONSIDERED

10. Not applicable - for information only

REASONS FOR RECOMMENDED OPTION

11. Not applicable - for information only

IMPACT ON THE COUNCIL'S KEY OUTCOMES

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

Outcomes	Implications
<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>None</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 	<p>None</p>

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

RISKS AND ASSUMPTIONS

13. The Council must provide an effective internal audit if it is to meet its statutory obligations.
14. Failure to direct internal audit resources to the most appropriate areas would limit the contribution the team can make to the Council. It would also limit the ability of the Head of Internal Audit to provide an opinion on the governance, risk management and internal control arrangements. These risks are managed through having an appropriate internal audit plan, supported by adequate internal audit resources.

LEGAL IMPLICATIONS [SRF15/04/21]

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

FINANCIAL IMPLICATIONS [ST 13/04/21]

16. The revenue budget for Internal Audit is part of the Corporate Resources budget. Outside of pay inflation, the changes to the team's structure and plan have been met from the team's existing resources.

HUMAN RESOURCES IMPLICATIONS [KM 13/04/21]

17. There are no specific HR implications contained in this report.

TECHNOLOGY IMPLICATIONS [PW 13/04/21]

18. As outlined in the Internal Audit Plan, Internal Audit seek to utilise and examine ICT and data / information management risks wherever they are applicable to their work, as ICT and data underpin all of the Council's activities. The scope of a number of the audit projects included in the Internal Audit Annual Plan for 21/22 relate to ICT systems and associated processes and procedures. There are no specific technology implications at this stage as these will depend upon the outcomes and findings of the individual audit projects.

HEALTH IMPLICATIONS [RS 13/04/21]

19. Evidence shows that what determines the health of population result from a combination of factors including (1) health behaviour (30%); (2) socioeconomic factors (40%) – education, employment, income, family support, and community safety; (3) health and social care (20%); and (4) build environment (10%). Whilst this report may not have direct health implication, the health implications will rest with the service areas to be audited as part of Internal Audit Plan 2021/22. The authors of the services to be audited need to ensure that the health implications are considered and appropriate mitigation actions are taken in order to improve health and reduce health inequalities. Advice can be obtained from public health team.

EQUALITY IMPLICATIONS [PRJ 09/04/21]

20. 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 reviews covered by the plan will take into account any relevant equality implications.

CONSULTATION

21. The Chief Executive and Directors were consulted on Internal Audit's proposals and will be further consulted with regarding the major changes required to the audit plan for the remainder of the year including the Covid-19 related work.

BACKGROUND PAPERS

Accounts and Audit Regulations 2015
UK Public Sector Internal Audit Standards 2017

REPORT AUTHOR & CONTRIBUTORS

Peter Jackson, Head of Internal Audit, Tel 01302 862938,
Email: peter.jackson@doncaster.gov.uk

Peter Jackson
Head of Internal Audit



Doncaster
Council

Internal Audit Plan 2021/22

1. PURPOSE

- 1.1 This document provides details of the Internal Audit annual plan for 2021/22 for Doncaster Council.
- 1.2 Internal Audit's mission statement per UK Public Sector Internal Audit Standards (UKPSIAS) is defined as:

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.”

The definition of Internal Audit per the above standards is:

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

- 1.3 This plan and the construction of it are in line with the above standards.
- 1.4 This audit plan is important because it sets out the components of the control environment that need to be audited. These needs are identified after an assessment of risks throughout the Council taking into account any known weaknesses or concerns, along with sources of assurance that can be relied upon to give assurance over risks in those areas.
- 1.5 The plan for 2021/22 has been drafted whilst the pandemic is still very much present and so has to reflect the uncertainty that we operate in and how we will be operating for some considerable time to come.
- 1.6 The plan will continue to be reviewed in full and on an ongoing basis as and when it is appropriate to do throughout the 2021/22. This has been standard practice for many years now but the initial impact of the pandemic in 2020/21 reinforced the necessity of ongoing and regular review to ensure the work of the service was relevant to the needs of the organisation whilst remaining compliant to its governing standards.
- 1.7 Any significant changes to the plan will be reported to Audit Committee as required by the UK Public Sector Internal Audit Standards.

2. AUDIT REQUIREMENTS

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

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

2.2 Internal Audit also has an important role in supporting the Assistant Director of Finance to discharge her statutory responsibilities, which include:

- S151 Local Government Act 1972 – to ensure the proper administration of financial affairs.
- S114 Local Government Act 1988 – to ensure the Council’s expenditure is lawful.

2.3 Throughout all of our activities, we are bound by the UK Public Sector Internal Audit Standards. These are professional standards that set out the key elements of an effective internal audit team. Further detail is set out in section 8 of this report.

2.4 Further information on these standards and compliance with them (along with the results of a review of the Internal Audit function) are reported to Audit Committee separately.

3. KEY INTERNAL AUDIT AIMS

3.1 Internal Audit intends through its activities to assist the Council in achieving its key priorities, objectives and outcomes. Internal Audit contributes to these aims by helping to promote a suitably secure and robust internal control environment, including the effective management of risks that could prevent the achievement of key priorities.

3.2 In all of the work we undertake, we seek to add value by:

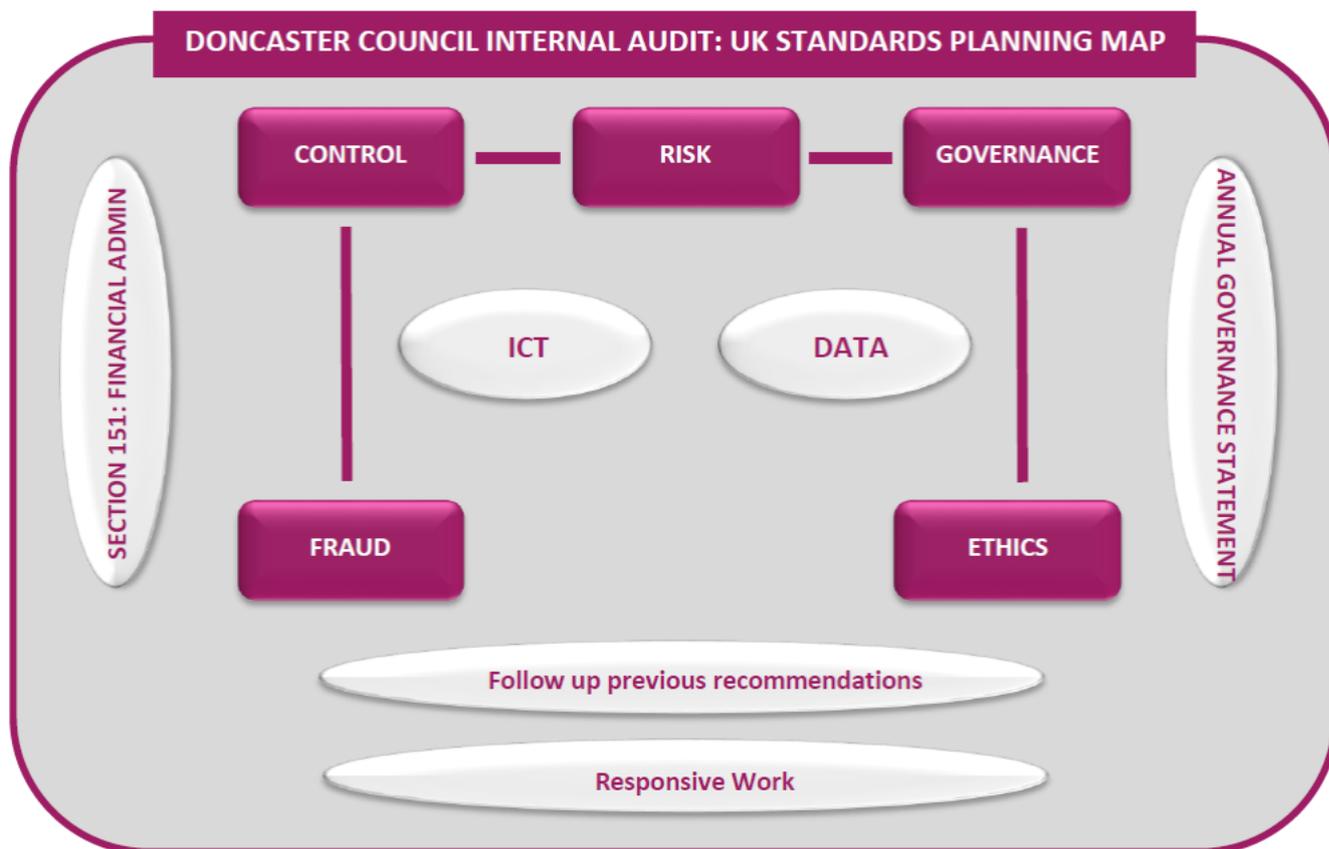
- Providing independent assurance on the quality and effectiveness of internal controls and processes;
- Providing timely reviews of emerging areas of risk, control or governance issues to identify / recommend ways to improve these areas, reduce risks or improve value for money;
- Examining governance processes and ethical standards and compliance with them to improve standards and transparency, and to protect the Council’s reputation;

- Preventing, detecting and pursuing fraud through our anti-fraud and data matching initiatives (and by recommending control or governance improvements where there are detected incidents to prevent them reoccurring and minimise any losses as a result);
- Stimulating risk awareness and management throughout the organisation and providing timely advice and support to manage and mitigate risks;
- Providing timely service and best practice advice during the set-up of new systems or processes or during significant changes to existing systems or processes to ensure that internal control environments are appropriate. Internal Audit's mission statement per UK Public Sector Internal Audit Standards (UKPSIAS) is defined as "To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.". It is through the consultancy and advisory work that the team is most visibly seen as being insightful and adding value and is a well-regarded aspect of the teams work.
- Ensuring that the agreed management actions arising from audit recommendations are implemented by management to address identified weaknesses. (follow-up work)

4. CONSTRUCTING THE AUDIT PLAN

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

4.2 Visually, our approach to audit planning is: -



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

4.4 "Fighting Fraud and Corruption Locally" Guidance issued in 2020 has resulted in the audit plan being presented in a different way to previous years in that it has a plan for both non-fraud and fraud related work. Having a clearly set out plan of our proactive and reactive fraud work is a particularly important feature of the overall work programme of the team for this year. This is due the many millions of pounds of central government Covid grant monies and support made available to the Council from 2020/21 and continuing into the 2021/22 year alongside a

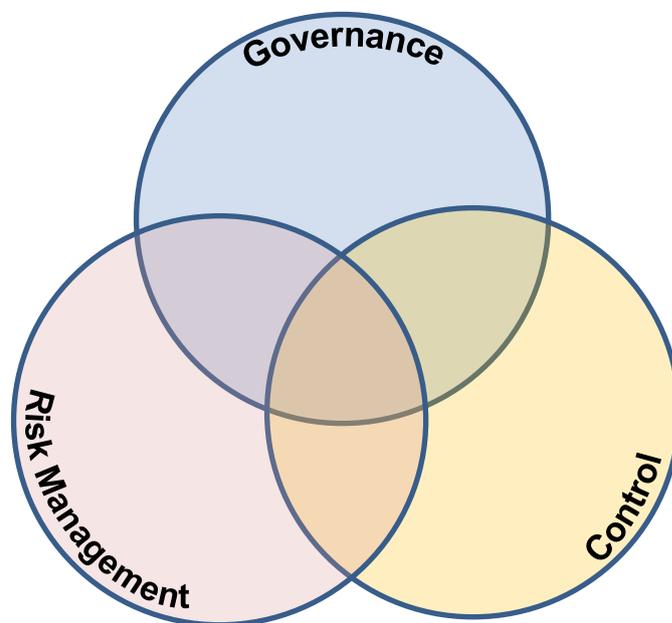
heightened risk of other fraud due to the pressures created by the Covid-19 pandemic. This plan need to be considered alongside the accompanying report for the fraud plan.

- 4.5 Our audit planning applies to all services across the Council. This is known as the audit universe. An explanation of the audit universe and planning process and the strategy and principles underpinning the revisions to the plan as a result of the Covid-19 pandemic was provided to the Audit Committee prior to its meeting in April 2021. This enabled the Committee to understand the full universe subject to risk assessment and how the plan is constructed. This further allowed them the opportunity to raise areas of concern from their perspective to consider as part of the planning and ongoing review process.
- 4.6 Inevitably when we undertake our risk assessments, there are more needs / demands than available resources to review all the areas identified as having a certain level of residual audit risk. This situation has been exacerbated even more as a result of the Covid-19 pandemic. As a result, needs were ranked with a priority rating and those audits / projects that added lower overall value to the Council as agreed with the relevant Directors were excluded from the plan as usual.
- 4.7 An increased contingency has been allowed for within the plan to deal with new and emerging risks and issues and an increased separate allowance for the investigation of fraud or irregularities that may be referred to us or uncovered during the year. However, when all new risks emerge, they are compared to those items of need that did not make it into the final plan to ensure that we continue to concentrate on those areas where there is the greatest need and we can add the highest value from our activities. If, towards the end of the financial year, there are unused elements of either contingency, items of need from the list that did not make the final plan will be re-considered for inclusion. This has historically been an unlikely scenario.
- 4.8 The risk assessment process used to identify items for the audit plan has considered:-
- Specific risk assessments of Covid related grant monies and other Covid related changes
 - The Borough Strategy and the Corporate Plan and associated outcomes and objectives;
 - The Council's Annual Governance Statement
 - Risks including corporate strategic risks and service specific risks;
 - Key governance and ethical frameworks that govern the Council and its activities;
 - Financial and budgetary information;
 - Procurement activities and items of high procurement / commissioning spend;

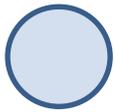
- Service plans and their associated risks;
- Corporate projects and known / planned technological changes;
- Information assets and business systems within service areas (or their absence);
- Data protection risks
- Legislative changes (where appropriate) and national initiatives such as the NFI;
- Fraud risks; - these are covered in detail within the Counter Fraud Report
- Partnership risks and significant partnerships;
- Concerns or service changes as identified by key officers, Directors or Assistant Directors; and
- Areas highlighted for consideration at a regional or national level.

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

4.10 Visually this mix can be represented as follows:



4.11 Crucially, our assurance work can cover more than one of these areas.



Governance

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



Risk Management

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



Control

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

4.12 When the work set out in the plan is analysed against the 3 elements of risk governance and control, it demonstrates there is coverage against all three elements on a basis reasonably consistent with previous years. This means that sufficient work is focussed against the three areas, allied with other sources of assurance that the Head of Internal Audit will be able to give an annual opinion covering these three areas.

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

5. Audit Resources

5.1 The level of audit resource has slightly fallen from 8.61 FTEs in 2020/21 to 8.41 FTEs in 2021/22. The Head of Internal Audit will be assessing the structure of the team against the needs of the Council in the near future to ensure the team are appropriately resourced to deliver its services to the Council, St Leger Homes and other partner organisations. Our “assurance reserves” have been reduced in the 2020/21 year and will not be increased with

the priority work required during the 2021/22 year with the amount of additional work needed related to the Covid-19 pandemic.

5.2 Our resource calculations are broken down as follows:

	2019/20	2020/21	2021/22
Gross Days	2413	2242	2203
Less: Annual and statutory leave	384	364	404
Special leave (Including maternity))	20	139	29
Unpaid leave	15	12	6
Election leave	10	0	7
Available days:	1984	1727	1757
6. Less: Sickness	60	64	68
Service development and improvement	31	48	73
Professional training and CPD	199	79	68
Management and supervision	151	163	215*
Administration and support	18	21	17
Planned Days	1525	1352	306

*Management and Supervision time has been increased for virtual working (e.g. team meetings, 121's and welfare calls) .

6. SUMMARY OF THE DRAFT AUDIT PLAN

6.1 The proposed audit plan can be summarised as follows:

2020/21 Audit Plan

2021/22 Audit Plan

Breakdown of the Plan By Type of Work

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Assurance Work	729	53.9%
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Breakdown of Assurance and Consultancy Work by Directorate (Excluding ongoing work)

Days	%	Directorate	Days	%
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Comparisons between the two years plans is extremely difficult as the figure stated for 2020/21 include the large amount of responsive time required in responding to the Covid-19 pandemic and the 2021/22 plan has now had all fraud type work separately categorised. The amount of time for Adults, Health and Wellbeing, Learning and Opportunities and Economy and Environment work is lower than previous years, reflecting “core” work that must be done which is primarily in Corporate Resources. We also have to deliver the responsive and fraud work leaving less time available for the other Directorates.

7. FURTHER FACTORS IN PRODUCING THE PLAN

7.1 Key factors taken into consideration include:

- a. Ongoing work requiring completion from the work in 2020/21.
- b. Core work required to deliver our basic assurance needs e.g. key financial systems and work to discharge the duties of the team e.g. in reporting to Audit Committee. This also covers ICT audit work where we use the ICT Audit expertise of another Council Team who provide their services to over thirty other local authorities and other public bodies.
- c. A significant allowance for detailed risk and assurance assessment work is included within the resource plan to help keep the work of the team during the year being risk focused through fluid planning and in generating the plan for 22/23 which all incorporates regular liaison with management.
- d. Covid related work in grant verification and consequent proactive and reactive fraud work features in both the mainstream audit plan and the separate fraud plan.
- e. A strong allowance for contingency to be able to deal with inevitable risks and issues that will emerge during the year.
- f. An increase in the amount of time to deal with both proactive and reactive fraud in this period of heightened fraud risk.
- g. Development time for more efficient auditing in the future.

- h. An increased allowance for time for some types of audit which are less efficient being carried out virtually.
- i. An Increased allowance for some overheads due to virtual working (e.g. team meetings, 121's and welfare calls).
- j. A consequent reduction in service type reviews within directorates to help support the above work.
- k. The plan reflects closer working arrangements with Financial Management, Performance, Insight and Change and other appropriate teams to support a more collaborative approach and maximise the value added from each audit.
- l. As stated every year, the actual level of responsive work cannot be accurately predicted and this stands even more so this year. Should this level of resource need to be increased, then audits shall be removed from the plan and conversely if this level of resource is not required, further planned audits will be added from the reserve list of audits as is our established practice.

7.2 The audit planning process includes review of all service areas and key processes across the Council. The risk assessment involved in this review culminates in the production of a long list of risks potentially subject to audit. The list was reduced through discussions with management about items that may be given lower priority. This has resulted in our Audit Plan for 2021/22 set out at Appendix A. A list of the items included in the long list but excluded from the initial audit plan is included in Appendix B.

7.3 As a result of the new Fighting Fraud and Corruption Locally Strategy 2020, counter fraud activity is shown as a separate plan as Appendix C. This is designed to meet the requirements of the new strategy and make the counter fraud plan more transparent. Counter fraud work links to the audit plan and both plans inform each other's risk assessment. All work on counter fraud controls is aimed at preventing, detecting or investigating fraud and is included within the Counter Fraud Plan.

7.4 Our audit planning has always involved the regular review of the plan and this is needed this year more than ever. The plan at this stage is still very subjective dealing with many unknown factors and as such it is important to understand the principles, strategies and constraints associated with the production of the plan.

7.5 The plan is an important element for the Head of Internal Audit to arrive at his opinion on the adequacy of the Council's risk, governance and control arrangements.

7.6 Taking into account all the above factors and the strategy adopted to respond to the ongoing challenges for the team and the Council as a whole, 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 further impacts of the Covid-19 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.

8 Audit Charter and Strategy

8.1 Internal Audit maintains a Charter and Strategy which, between them, set out the mission for Internal Audit, its operating arrangements, position within the Council structure, its rights of access to all documentation and all officers and members, the service's objectives and its resources and plans for achieving the objectives. The Charter and Strategy also show how the service complies with key elements of the audit standards.

8.2 The Charter and Strategy are reviewed on an ongoing basis and formally considered each year for any revisions / updates required. A full review was carried out in 2019 with the revised Charter and Strategy reported to the Audit Committee in June 2019 following updated guidance from CIPFA. The review due in 2021 will reflect any changes needed brought about as a result of the Covid-19 pandemic.

9 Quality Assurance and Improvement Programme (QAIP)

9.1 All public sector internal audit services are required to comply with The UK Public Sector Internal Audit Standards (the Standards / UKPSIAS). The Standards require Heads of Internal Audit to establish and carry out Quality Assurance and Improvement Programmes. Doncaster Internal Audit Service maintains appropriate ongoing quality processes designed to ensure that internal audit work is undertaken in accordance with relevant professional standards.

9.2 Specific Quality Assurance and Improvement checks are conducted as follows:

- The Head of Internal Audit maintains a self-assessment against the Standards to confirm conformance with the Standards.

- Audit files are subject to review on a sample basis by the Head of Internal Audit to confirm quality standards are being maintained. The results of the reviews are documented and any key learning points shared with the audit staff concerned. Appropriate action is then planned in response to any findings.
- From time to time Internal Audit will seek feedback from clients on the quality of the overall internal audit service. Feedback will generally be sought through the use of surveys.
- At least once every five years, arrangements must be made to subject internal audit working practices to external assessment to ensure the continued application of professional standards. The assessment should be conducted by an independent and suitably qualified person or organisation and the results reported to the Audit Committee. The most recent external peer review was completed in 2017 and confirmed Internal Audit “Generally Conformed” with the Audit Standards (General Conformance is the highest level of accreditation possible).
- Members of the Audit Committee were consulted in January 2020 and updated in January 2021 regarding the next peer review and they agreed for the Head of Internal Audit from Rotherham Council to lead on an external assessment of the Doncaster team in late 2021 as part of arrangements between Calderdale, Kirklees, Rotherham and Doncaster Council’s Internal Audit Services. The plan currently allows for these assessments to take place but the timings of these will be reviewed in light of any further impact from the pandemic.

1. Appendix A – The Annual Internal Audit Plan

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Assurance Work							
	Audits in progress at the beginning of the year.	This represents the time required to complete audits that were already in progress at the beginning of the financial year.	Various - as detailed in the 2020/21 audit plan	Y	Y	Y	Q1
Council Wide – 194 days – 26.2% of Total planned assurance and consultancy work – 14.8% of Planned days							
Council Wide	Audit Committee Reporting	A provision of time for the servicing of the Audit Committee. This includes scheduling the Audit Committee work plan and agendas, providing liaison with Chair and Vice, providing and supporting training for Audit Committee members on an ongoing basis and inductions for new members, producing routine reports from the Internal Audit team, provision of responsive reports as requested by the Committee and supporting the	This input adds to the efficient and effective running of the Audit Committee. Effective oversight through the Audit Committee adds value to the Council operations in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough. The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.	Y	Y	Y	Q1 to Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		production of reports from other directorates and attendance at meeting.					
Council Wide	Annual Governance Statement	Contribution to the Annual Governance Statement as compiled by the Policy and Insight Unit for publication as part of the Council's annual final accounts.	The Annual Governance statement is key document highlighting significant governance arrangements and areas identified for governance improvement as well as areas of highest governance risk. The work undertaken by Internal Audit during the year results in a substantial and well-informed contribution to the report.	Y			Q1 to Q4
Council Wide	External Auditor Liaison	Liaison with the Council's external auditor as appropriate throughout the financial year.	Liaison with the external auditor ensures that they can complete their work more efficiently and both parties are better informed on relevant issues. It also avoids any possible duplication of work.	Y	Y	Y	Q1 to Q4
Council Wide	Peer Review Arrangements (Review of Doncaster Arrangements)	This time has been put aside for the work involved in the preparation for, and the review of the audit function. This is undertaken every 5 years in line with the UK Public Sector Internal Audit Standards. (UKPSIAS).	This piece of work adds value by ensuring that the Doncaster Internal Audit Team remains fit for purpose and that the work it performs conforms to the UKPSIAS.	Y			Q3

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Council Wide	Covid Grants Risk Assessments and Assurance Checks	<p>This work is a continuation of the work commenced in 2020/21 following receipt of central government monies in response to the Covid-19 Pandemic. A risk assessment is made upon receipt of funding received and this determines the further work required to gain assurance over the proper use of these monies</p> <p>Further time may be required for specific fraud testing on some of these grants and this is also provided for in the accompanying fraud plan</p>	<p>This work assures those responsible for governance over the proper use of Covid-19 monies. Audit certification is also required for some of these grants to the relevant Government Department</p>	Y		Y	Q1-4
Council Wide	Troubled Families Grant	<p>Audit of Doncaster and associated partners Troubled Families Grant Claim (12 claims). The review and certification of claims helps to ensure that the risk of claw back of funding is minimal and ensure that there is sufficient evidence available for the Council to pass any Ministry of Housing, Communities and Local Government Spot-Checks in this regard.</p>	<p>Certification enables the Council to secure government grant funding and certification is required by the Ministry of Housing, Communities and Local Government.</p>			Y	Q1 to Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Council Wide	Troubled Families Grant - Phase 3	Review of the proposals under the Stronger Families Outcomes Plan in the preparations for the anticipated Phase 3 Troubled Families Programme from the Ministry of Housing, Communities and Local Government. This will include consultancy on the revision of the Stronger Families Outcomes Plan and set up work for phase 3 monitoring and handling of the anticipated grant claims.	This review is designed to add value by ensuring, in advance, that the Council's and out Partner's arrangements for handling the requirements of the anticipated Troubled Families Programme Phase 3 are robust, evidence based and are auditable and deliverable. Involvement in the set up and review of arrangements by Internal Audit is strongly encouraged by the government.		Y	Y	Q4
Council Wide	Drainage Board Arrangements	Providing general or specific support as required by the Council in supporting good governance arrangements at its Internal Drainage Boards.	This support adds value in improving governance arrangements at a local, regional and national level.		Y	Y	Q1 to Q4
Adults Health and Wellbeing – 60 days - 8.0% of total planned assurance and consultancy work – 4.6% of Planned days							
Adults Health and Wellbeing	Residential Care Services	This piece of work will involve ensuring that the controls in place to manage residential care debt are operating effectively and the outstanding debt is being recovered properly and in a timely manner.	The work will add value by ensuring that residential care debt is well managed and that, where possible, all monies are recovered.		Y	Y	Q2

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Adults Health and Wellbeing	Home Alarm Services - Mosaic Changes, Supporting People and Schemes	Advice was given in 2021/22 on the set up of appropriate financial systems to collect and administer fees and charges for the Home Alarms Services after the changes caused by the Adults Fees and Charges Consultation. Changes to this system are now required after the implementation of the Mosaic system and the decommissioning of various schemes.	This work adds value by ensuring that the financial system in place is compatible with the new Mosaic system and that there are appropriate ways to detect users who should be receiving the service for free (and that charges are levied appropriately)		Y	Y	Q1 to Q2
Adults Health and Wellbeing	Safeguarding Adults	Working with the Head of Service to provide advice and support for the Safeguarding Service review. This will also involve a review of the processes and arrangements for adult safeguarding to ensure that arrangements are robust, appropriate and well managed.	The review will aim to add value by providing assurance that vulnerable adults throughout the process (concern to enquiry) are appropriately safeguarded and are in compliance with the requirements of the Care Act.	Y	Y	Y	Q1
Adults Health and Wellbeing	Disabled Facilities Grant	Certification of the grant as required by the grant determination.	Certification by Internal Audit of the grant monies received and used is a requirement of the grant conditions.			Y	Q2
Adults Health and Wellbeing	Mosaic - Care and Case Flows	This piece of work will involve providing an independent assurance that the Mosaic system in terms of social work flows and safeguarding is working as	This review aims to add value by providing assurance that the Mosaic systems and processes are operating effectively.		Y	Y	Q3 to Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		intended. The scope of this work will be informed by participation in the Mosaic Post Implementation Review.					
Corporate Resources – 284 days – 38.4% of total planned assurance and consultancy work – 21.7% of Planned days							
Corporate Resources	Corporate Information Governance	This review will look at the central information governance arrangements that are in place	This audit aims to add value by ensuring that there are robust processes in place for managing information governance across the Council.	Y	Y		Q1 to Q2
Corporate Resources	Core Financial Processes - Purchase Card Administration	A full review of the process for administering credit cards for the Council (including the issue and withdrawal of cards) and the monitoring and authorisations of transactions made. This review will include reviews of the transactions made and their appropriateness.	This audit aims to add value by ensuring that credit card / purchase card expenditure is robustly managed, properly accounted for and is free from fraud and error.			Y	Q4
Corporate Resources	Financial Assessments - Day Care Placements	A review will be undertaken of the financial systems and processes that cover payments for care services. The audit will look at the arrangements to monitor and pay for	The review aims to add value by ensuring that the processes are robustly managed and the implementation of the new system is working as it should be.		Y	Y	Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		agreed day care placements. .					
Corporate Resources	Core Financial Processes - Income Back Office Processing	This review will look at back office arrangements for dealing with monies received whether in cash or by electronic payment method at the Council.	This review gives assurance over financial transactions (monies received) over all financial systems.			Y	Q3
Corporate Resources	Core Financial Processes - Internet and Telephone Payments	This audit is a cyclical audit on the Council's Aim Cash Receipting system that takes internet and telephone payments. These processes are largely automated and are usually subject to review every 3 years.	This audit aims to add value by reviewing the systems for ensuring that income received from internet and telephone payments is robust and that income is being properly accounted for.			Y	Q1
Corporate Resources	Core Financial Processes - Accounts Payable	A High Level Audit Assessment will be undertaken in 2021/22. A High Level Audit Assessment including any impact of Covid was also completed in 2020/21.	This audit will add value by reviewing the systems and ensuring that they are robustly managed, supporting the payments that are made by the Council.			Y	Q2 to Q3
Corporate Resources	Core Financial Processes - Accounts Receivable	Attempts are being made to move away from annual control and testing based audits in favour of continual system monitoring by using and analysing data. This audit will be undertaken as a pilot for this type of auditing. This pilot was previously	This audit aims to add value by providing assurance over a significant income stream that forms part of the annual financial accounts.			Y	Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		postponed. Should this need to happen again, a standard form of audit will be undertaken instead to provide the required level of assurance.					
Corporate Resources	Core Financial Processes - Procure to Pay	A full review of the Procure to Pay processes will be undertaken in 2021/22.	This audit aims to add value by ensuring that the Procure to Pay arrangements remain robust.			Y	Q1
Corporate Resources	General Financial Ledger	A key control audit review will be undertaken in 2021/22. A full review was completed in 2019/20.	This audit aims to add value by providing assurance over the administration of the general financial ledger, the main system supporting the figures in the annual financial accounts.			Y	Q2
Corporate Resources	Core Financial Processes - Cash Book	This will be a Key Control review including placing reliance on departmental testing that will be undertaken during 2021/22. A Key Control was completed in 2020/21.	This review aims to add value by ensuring that the cash book process remains robust. This audit is an annual audit due to the fact that the cash is a resource that is difficult to trace and is the most risky form of income collection.			Y	Q3 to Q4
Corporate Resources	Core Financial Processes - Treasury Management	A full review of the management of cash held in the bank and loans and investments will be undertaken in 2021/22.	This audit aims to add value by confirming that the process is well controlled or by recommending actions that can be taken to improve processes where necessary.			Y	Q1

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Corporate Resources	Recruitment	The audit will be a full review of the recruitment process within the new recruitment system to give assurance that there are appropriate controls are in place.	This audit aims to add value by ensuring that recruitment processes are robust and are being properly followed to attract and recruit the right person for the job whilst safeguarding the organisation from inappropriate or fraudulent recruitments.	Y	Y	Y	Q4
Corporate Resources	Core Financial Processes - Payroll Processing	The audit will be a Key Control review including transactional testing of payroll controls and payroll processes in 2021/22 to ensure that the appropriate controls are in place. This audit was subject to High Level Audit Assessment, including a follow up of the 19/20 audit actions in 2020/21.	This audit aims to add value by providing assurance over payroll claims and payments which are a significant Council expense in the annual financial accounts.			Y	Q2
Corporate Resources	Joint Procurements with St Leger Homes	As part of the assessment of risks at St Leger Homes, it was identified that procurement contracts for capital works are entered into / signed off by the Council under partnership arrangements. This piece of work, undertaken jointly with St Leger Homes, will look at the arrangements to	This review aims to add value by ensuring that the Council is protected from claims of contract splitting and that value for money is being maximised (and administrative costs minimised) through joint procurement activities.		Y	Y	Q2 to Q3

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		safeguard the Council from possible claims that contracts are being split to avoid procurement rules or award secondary contracts. This piece of work will also look at commonalities between the Council's and St Leger Homes' contracts register to look for opportunities for saving costs through potential joint procurement contracts.					
Corporate Resources	Bus Service Operators Grant (June Claim)	Review and sign off of this grant is required as part of the grant terms and conditions.	This work adds value by ensuring the grant monies can be claimed from the Department of Transport.			Y	Q1
Corporate Resources	Bus Service Operators Grant (December Claim)	Review and sign off of this grant is required as part of the grant terms and conditions.	This work adds value by ensuring the grant monies can be claimed from the Department of Transport.			Y	Q3
Corporate Resources	Homes and Communities Agency Grant (HCA)	This is a grant audit and part of the grant terms and conditions. This work is always done on a shared resource basis and we are required to audit the claims of a different local authority which is agreed in advance. The Doncaster Council claim will then be audited by a different local council.	This audit adds value by ensuring that the claims of our local councils are checked and verified to enable them to meet their grant obligations. In turn, their auditing of our claims ensures that our grant conditions are met and that we are not subject to the risk of grant reclaim by the Homes and Communities Agency.			Y	Q2

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Corporate Resources	Highways Grants - No 31/3693, No.31/3221 and No.31/3296	Confirmation that funding conditions have been complied with is required as part of the grant regime. Highways Grants - No 31/3693, No.31/3221 and No.31/3222.	Review and sign off of this grant is required as part of the grant terms and conditions. This work adds value by ensuring that grant monies can be claimed.			Y	Q2
Corporate Resources	National Productivity Investment Fund (NPIF) - Grant 31/3689	Confirmation that grant conditions have been complied with, is required as part of the grant regime.	Review and sign off of this grant is required as part of the grant terms and conditions. This work adds value by ensuring that grant monies can be claimed.			Y	Q2
Corporate Resources	Risk Management	This is a high level review of the risk management arrangements and their application within the council	This review add value through giving assurance that the Risk Management arrangements within the Council are sound.		Y		Q2 to Q3
Corporate Resources	Local Financial Transaction Processing	Financial transactional work within non centralised departments and establishments (including schools).	This work adds value by providing assurance that financial transactions in departments are robust and free from fraud and error.		Y	Y	Q1 to Q3
Corporate Resources	iTrent - Time and Leave System	This audit will give assurance that the migration of the flexi and annual leave data has been correctly completed onto the new Time & Attendance part of the iTrent System, also ensuring that it has become embedded into both staff and managers roles.	This audit aims to add value by ensuring this corporate level system has been properly set up and adequately controls the risks in this area.		Y	Y	Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Corporate Resources	Mosaic - Financial Administration	This piece of work will involve providing an independent assurance that the Mosaic system in terms of financial processing is operating as intended. The scope of this work will be informed by participation in the Mosaic Post Implementation Review.	This review aims to add value by providing assurance that the Mosaic systems and processes are operating effectively.		Y	Y	Q4
Corporate Resources	Core Financial Processes - Housing Rents	The system that administers housing rents was replaced in 2020/21 and was subject to a full review in quarter 4 of that year. This audit will re-review the system in full after a year of full time use.	This piece of work adds value by ensuring that collection systems and processes for collecting housing rents (as accounted for in the Housing Revenue Account) are robust and that collection is maximised.		Y	Y	Q3 to Q4
Corporate Resources	ICT Audits	Work on some ICT based risks is being provided by another Council with appropriate levels of expertise and experience. Current coverage is over PCI/DSS Compliance, Service Management and Data Management. Further work will be commissioned on the basis of a rolling audit needs assessment. This time will be used to liaise with parties to undertake and report the required reviews and ensure that	This piece of work adds value by ensuring that these external reviews can take place and that issues identified as a result are recorded for rectification.		Y	Y	Q1 to Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		issues identified are added to our systems for monitoring and follow-up.					
Corporate Resources	Schools Catering - Financial Administration	A review is planned of the Schools Catering function. Internal Audit will review financial systems and processes to ensure that they are robust and fit for purpose. There will be specific focus on the new IT System that was implemented at the end of the 2020/21 financial year.	This audit aims to add value by providing assurance over the financial administration of a significant council income stream.		Y	Y	Q4
Economy and Environment – 63 days – 8.5 of total planned assurance and consultancy work – 4.8% of Planned days							
Economy and Environment	Corporate Landlord – Accounting for Leases	New statutory regulations, IFRS 16, are due to be implemented in the 2021/22 financial year. Working in conjunction with Financial Management, this review will ensure leases are accurately accounted for in the authorities accounts and there are appropriate controls in the system recorded leases.	This review provides assurance to the external auditor over lease accounting arrangements and ensures the accuracy of the statements that support the annual financial accounts.		Y	Y	Q4
Economy and Environment	Commercial Properties Income	An examination of the income management processes within the Commercial Landlord function to ensure that	This audit aims to add value by making sure that all income is properly collected for all		Y	Y	Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		income is properly collected, recorded and maximised and correctly reflected within the accounts.	commercial property lettings.				
Economy and Environment	Street Lighting Costing / Billing Review	A new costing system, SICLOPS has been implemented. The audit will review the processes in place to ensure that all income is being billed accurately and collected efficiently and that costs, including stock are appropriately managed.	This audit aims to add value by ensuring that changes introduced into this area are functioning well and are contributing to increased efficiency.		Y	Y	Q3 to Q4
Economy and Environment	Trade Waste Income Collection / Expenditure Monitoring	An assessment of the income collection and expenditure monitoring arrangements in place for commercial waste services.	Gives assurance that income and expenditure is both appropriate and correct, and that income is maximised.		Y	Y	Q4
Economy and Environment	Property Flood Resilience Support Scheme	This audit will review and sign off the grant usage to enable monies to be claimed from DEFRA.	This audit aims to add value by enabling the Council to claim monies from DEFRA.			Y	Q3
Economy and Environment	SLHD Client / Partnership Management	An assessment of the Contract Management arrangements currently in operation by DMBC, with regards to the SLHD Housing Management agreement.	Ensures that the agreement with SLHD is effectively managed, is value for money and maximises the partnership arrangement.	Y			Q1 to Q4
Economy and Environment	Lead Local Flood Authority (LLFA) Responsibilities	Doncaster Council is the Lead Local Flood Authority (LLFA) for Doncaster under the Flood and Water Management Act 2010.	This work adds value through providing assurance that we are meeting our statutory responsibilities and hence	Y			Q3

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		With a list of responsibilities including leading on investigating flood incidents. The Environment Agency remains responsible for the managing the risk from the River Don. This work makes an initial assessment as to whether we are fulfilling all our LLFA responsibilities.	mitigates any potential for reputational damage.				
Learning and Opportunities – 6 days – 0.8% of total planned assurance and consultancy work – 0.5% of Planned days							
Learning and Opportunities – Children and Young People	Big Picture Learning (Grant)	This piece of work involves undertaking the independent review of the grant payments.	This review aims to add value by providing an independent verification of grant payment in line with grant conditions made to the school.			Y	Q1 to Q4
Schools – 46 days – 6.2% of total planned assurance and consultancy work – 3.5% of Planned days							
Schools	School - Control Improvements	This piece of work will work with the school to look at and improve the financial control environment to ensure that it is robust and fit for purpose.	This piece of work aims to add value by ensuring that financial administration procedures are robust and are fit for purposes.		Y	Y	Q1
Schools	Bank Account School Audits	A significant financial issue was uncovered in a school (as was reported in the Annual Preventing and Detecting Fraud and Error Report. Work is	This review aims to add value by ensuring that significant issues that lead to unacceptable financial losses at a school, are isolated and that other schools are not at risk of	Y	Y	Y	Q2 to Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		being undertaken on 2 bank account schools to determine whether the issues and poor practices found in the investigation are also affecting other schools. The findings from these audits will be used to inform the audit plan for future work in this area.	similar incidents. This work is undertaken as part of Internal Audit's commitment to ensuring learning from significant issues and protect the Council and its services.				
Schools	School Governance	This time is to provide information, advice and support to the (School) Governors' Support Service to ensure audit and governance issues are consistently dealt with across all schools	This piece of work aims to add value by improving governance across schools by sharing good practice and governance insights.	Y	Y		Q3-4
Schools	Schools Financial Value Standard - Self Assessment Frameworks	This will involve undertaking an independent review of the School's SFVS returns to ensure they are adequately completed.	This review will aim to add value by providing assurance that schools are complying with the SFVS requirements.			Y	Q1-2
Consultancy Work							
Council Wide Consultancy – 2 days – 0.3% of total planned assurance and consultancy work – 0.1% of Planned days							
Council Wide	Mosaic - Post Implementation Review	To provide advice and guidance where possible as part of the Mosaic post go live review activity and to provide	This will add value by providing both an independent oversight and challenge to the post go live review activity and ensuring			Y	Q1 to Q2

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		the intelligence and scoping information for the subsequent reviews of the Mosaic system.	audit resources in this area are targeted to areas of highest risk				
Public Health – 12 days – 1.6% of total planned assurance and consultancy work – 0.9% of Planned days							
Public Health	Support to Community of Practice Meetings	<p>There was an identified need to bring all voluntary sector organisations together for collaborative working. This group is a collective to come together to see how it can shape locality commissioning, identify gaps and work together effectively. Funding has also played a part in this role and that is where Voluntary, Community, and Faith Sector funds have formed from</p> <p>This piece of work will involve being part of the Community of Practice meetings and discussions in order to provide advice and support where required.</p>	This will add value by ensuring that an independent oversight is provided to Community of Practice meetings and relevant advice can be provided on a timely basis.	Y	Y		Q1 to Q4
Public Health	Covid Deceased Monitoring	During 2021, at the outbreak of the Covid Pandemic, a member of	This is not traditional audit work and would not ordinarily appear on the		Y		Q1to Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		staff was seconded to the Policy Insight and Change team to work on the analysis of deceased persons' information from Registrars. A system was created to monitor deaths and their causes as deaths are registered, using Audit Analytics software. This time has been reserved in the Audit Plan to use the software to generate the figures that are used and reported corporately to direct and support Covid decision making.	internal audit plan, however, as the figures are gathered and analysed using audit software, this needs to be maintained in order to support the Covid response.				
Corporate Resources – 10 days – 1.4% of total planned assurance and consultancy work – 0.8% of Planned days							
Corporate Resources	Income Management Project Support	Internal Audit will be contributing to the Income Management Project Group through attending meetings and reviewing documentation and project progress.	This consultancy piece of work aims to add value by contributing to the maximisation of income due and recovered by the Council.		Y	Y	Q1 to Q4
Economy & Environment - 17 days – 2.3% of total planned assurance and consultancy work – 1.3% of Planned days							
Economy and Environment	Stores Management Review, Support	Following a previous Limited Assurance Internal Audit Report and subsequent issues arising with the management of PPE stocks by Stores, a	This piece of work provides independent support and challenge of that management review on a real time basis.	Y			Q1 to Q2

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		full management review is to be carried out internally within the Directorate.					
Economy and Environment	Cleaner Greener Service Improvement Support.	Ongoing support as a member of the Environmental Services Improvement Team to provide independent scrutiny over actions and progress and also provide audit support as appropriate to the project.	This consultancy piece of work aims to add value by contributing to service improvement in a key Council initiative	Y			Q1 to Q2
Learning & Ops – 46 days – 6.2% of total planned assurance and consultancy work – 3.5% of Planned days							
Learning and Opportunities – Children and Young People	Governance Review Support	Providing support as required to a governance review within the directorate.	This consultancy piece of work aims to add value by contributing to governance improvements within the directorate	Y	Y	Y	Q2
Learning and Opportunities – Children and Young People	Libraries and Heritage Change Management	The service has requested support from Internal Audit in carrying out a functional review of the service to ensure that good governance, scrutiny and reporting is in place, effective financial controls and use of data, and robust performance management through 2021-22.	This review aims to add value by ensuring that the service are working well and effective governance arrangements are in place.	Y	Y	Y	Q1 and Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Follow Up Work – 56 days – 4.3% of Planned Days							
Council Wide	Follow Up of Agreed Management Actions arising from Internal Audit Recommendations	Review and assessment of the implementation of agreed actions.	This adds value to the Council by ensuring that previously identified weaknesses in risk governance or control arrangements for improvement that have been appropriately addressed.			Y	Q1 to Q4
Economy and Environment	Trading Standards and Food and Animal Safety Follow Up	A formal follow-up of outstanding improvement actions within Trading Standards. To ensure the maximisation of service improvements and hence benefit is obtained from previous review work undertaken in this area.	This follow up is part of our professional commitment to ensure that audit actions are implemented and risks reduced.			Y	Q1 to Q2
Economy and Environment	Planning Committee Peer Review, Follow Up	This is a follow up audit to assess and confirm the effective implementation of actions arising from a peer review of the Planning Committee undertaken by the Planning Advisory Service in November 2018.	This follow up is part of our professional commitment to ensure that audit actions are implemented and risks reduced.			Y	Q1
Responsive Work - 220 days– 16.8% of Planned Days							
Council Wide	Advice	General support and advice as requested on an ad hoc basis on risk governance and control issues	Assists management to deliver better services adding value to the organisation	Y	Y	Y	Q1 to Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Council Wide	Contingency for investigative work	A provision of time for the handling of fraud or wrongdoing allegations that internal audit need to deal with.	This helps discharge the Section 151 Officer's responsibilities, prevents further losses of monies and protects the Council's reputation.	Y	Y	Y	Q1 to Q4
Council Wide	Contingency for audit work	An allowance of time for reviews of new and emerging issues (excluding fraud) that arise during the year	Provided assurance to managers on emerging issues that are deemed important	Y	Y	Y	Q2 to Q4

Appendix B

The following areas were identified through the audit planning process as presenting risks to the effectiveness of the Council's governance, risk management or control arrangements. They have been excluded from the audit plan itself as they present lower risks than areas included in the plan. If any risk assessment changes, escalating the risk assessment in any of these areas, they will be re-considered for coverage in the 2020/21 plan. All areas will additionally be reconsidered for audit coverage in 2021/22:

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control
Adults Health and Wellbeing	Liberty Protection Safeguards	This piece of work would have involved being involved with the regional steering group for Doncaster to provide advice and guidance where needed.	The work would have added value by providing an independent overview and advice and guidance on the requirements of the Local Authority's future role with regards to Deprivation of Liberty Standards Assessments.	Y	Y	Y
Adults Health and Wellbeing	Aids and Adaptations Process Review	This audit would have looked at the approval process in place for aids and adaptations, including the panel decision process and approval levels to ensure they are appropriate and reasonable and that the service is functioning adequately.	This review aimed to add value by ensuring that the decision and approval process for aids and adaptations are robust and that decisions are made efficiently and effectively, thereby protecting council funds.		Y	Y
Adults Health and Wellbeing	Occupational Therapy Service	This review would see a high level review of the Occupational Therapy Management Controls in place and also a review of the equipment contract controls in place.	This piece of work aimed to add value by providing an independent assurance on the high level management controls operating within the Occupational Therapy Service.		Y	Y
Adults Health and Wellbeing	Safeguarding Personal Assets Team (SAPAT)	This audit would have involved providing an oversight role that the system in operation are operating effectively and that there is	This review would have aimed to add value by providing assurance that systems and processes are set up correctly.		Y	Y

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control
		adequate governance and performance management arrangements in place.				
Adults Health and Wellbeing	Better Care Fund (Pooled Budgets)	This audit would have reviewed the use of Better Care Fund Monies, ensuring they are being applied as prescribed and that the system is operating well.	This review would have added value by ensuring there are sound systems and processes in place over Better Care Fund Monies.			Y
Adults Health and Wellbeing	Adult's Services Fees and Charges	This audit would have reviewed new fees and charges that have been implemented, and how they are being monitored/maintained.	This review aimed to add value by providing assurance to management that the fees and charges are being applied as intended.		Y	Y
Corporate Resources	Bereavement Services Plot Box System Review	A new system was introduced in 2019/20 in Bereavement Services that deals with all aspects of funerals, including their billing and accounting. This review would have looked at this system to ensure proper controls have been put in place to deal with the funerals, data recording and financial billing.	This audit aimed to add value by ensuring that financial based systems are robust and are collecting all income required and that the processes are efficient and effective.		Y	Y
Corporate Resources	Pest Control - Financial Administration Review	This audit would have reviewed the systems and processes in place for Pest Control and the Dog Warden function to ensure that they are robust and fit for purpose. This review would have also looked at income and billing arrangements to ensure that all income due is properly accounted for	This audit aimed to add value by ensuring that the systems and processes in place are robust and fit for purpose and that customer experience is good with all income (where appropriate) properly billed and accounted for and collected.		Y	Y
Corporate Resources	Health and Safety Management System	This would have been a review of the Health and Safety Management System and the use of these policies and procedures within the Council in order to discharge corporate responsibilities and protect the health and safety of the workforce. The audit will give assurance that there is corporate compliance with the Health and Safety processes and procedures that are in place.	This audit would have added value by ensuring that our Health and Safety Management System is fit for purpose.	Y	Y	Y

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control
Economy and Environment	Trading Standards and Food and Animal Safety Re Review	A full review of operations in this area to give assurance that the service is now operating in a secure and effective manner, following the previous review in 2019 when 36 improvement actions were agreed.	This audit aims to add value by ensuring previously identified areas for improvement have been actioned and that they are now effectively managing the risk.			Y
Learning and Opportunities – Children and Young People	Stronger Families - Evidence Systems	This audit would have looked at the transformational effects of the Governments Troubled Families Programme, looking at the extent to which whole family working has been embedded into the working practice of Doncaster Council.	This project would have added value by demonstrating and evidencing that transformational change has taken place.	Y	Y	Y
Learning and Opportunities – Children and Young People	Flood Management Response Review	This would have been providing input from an Internal Audit perspective into the review of the recent response to flooding risks which is intended to be undertaken corporately.	This would have added value though the expertise in risk governance and control matters improving future incidents responses	3.	4.	5.
Learning and Opportunities – Children and Young People	Archives Record Management	This audit would have reviewed how the archivists have managed the collections to date, in line with professional standards and regulations and how much of the Archives catalogue is accessible and to also undertake spot checks to ensure that certain types of records are not being kept for longer than regulations require.	This review aimed to add value by ensuring that there is effective archives record management in operation.		Y	Y
Learning and Opportunities – Children and Young People	SEN Panel Processes	This audit would have reviewed the panel's processes in operation and the decisions they make on approving SEN placements and transport.	This audit aimed to add value by ensuring that there are robust panel processes in place that ensure best value decisions are made.		Y	Y
Learning and Opportunities – Children and Young People	Events Team - Major Events	This audit would have undertaken a review of the major events service. This would have involved operating processes, commissioning processes and financial viability.	This audit aimed to add value by ensuring that the processes for major events are well controlled and operating effectively.		Y	Y

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control
Learning and Opportunities – Children and Young People	Virtual School Language Support	This would have been a review of the Virtual School Language Support Service, in particular the traded service aspect and its value.	The review aimed to add value by ensuring that the virtual school language support service is operating and trading effectively and providing value for money.		Y	Y
Learning and Opportunities – Children and Young People	Children Missing From School	This audit would have been a governance review. This would have included reviewing the processes for tracking children absent from school and testing processes that are in operation.	This piece of work would have added value by providing an independent assurance that systems are well defined, operating well and are embedded within processes that help to ensure children are adequately safeguarded.		Y	Y
Learning and Opportunities – Children and Young People	Social Mobility Opportunity Area (SMOA)	This audit would have involved Social Mobility Opportunity Area grant funding validation to ensure that monies have been spent appropriately and in line with relevant conditions. The review and certification of expenditure helps to ensure that the SMOA funding has been spent in line with the relevant conditions.	The review and certification of expenditure would have added value in ensuring that the SMOA funding has been spent in line with relevant conditions			Y

1. The Counter Fraud Plan

Appendix C

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Govern 4 days – 1.4% of the Fraud Plan				
Govern	Audit Committee Anti-Fraud Training	All out elections are due in May 2021. After the election and appointments have been made to the various committees, re-training of the Audit Committee will be undertaken to raise awareness of their responsibilities in combatting fraud and corruption and give an overview of activity being undertaken.	Anti-fraud cultures are important in public services and the tone starts from the top. This piece of work aims to educate and inform to strengthen the counter fraud / anti-fraud culture at Doncaster Council.	Q1
Prevent – 101 days – 34.8% of the Fraud Plan				
Prevent	Counter fraud and money laundering training	Re-development and relaunch of corporate e-learning for anti-fraud and money laundering in line with new changes to the Anti-Fraud and Corruption Framework.	Ensuring adequate training is a substantial part of the development and maintenance of a robust anti-fraud culture and the maintenance of an “adequate procedures” defence under the Bribery Act.	Q2 to Q3
Prevent	Declarations of Interest (Officers and Members).	This audit will look at the Council's arrangements to register member and officer interests and to subsequently manage those interests to enhance transparency and prevent fraud and similar accusations.	This review aims to add value by ensuring that preventative counter fraud controls in this area are operating effectively and are being properly complied with by both members and officers	Q3
Prevent	Continual Analytics - System Changes	New reports from iTrent, the Council's payroll system, were made available during 2020/21. These are processed using internal data matching techniques for investigation. This project will integrate the new reports into our data matching solution in order to recommence internal data matching on Payroll and Creditor information for both ourselves and St Leger Homes.	This piece of work is necessary in order to continue our continual analytics program for fraud prevention and detection.	Q1

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Prevent	Continual Analytics - Payroll to Creditor Matching	Data matching of payroll and creditor information to detect fraud and manage conflicts of interest.	This work adds value by identifying possible fraud or collusion and ensuring that conflicts of interest identified are being properly managed. It also helps to check that IR35 (a tax rule about off payroll payments to persons who may be classed as employees) is being properly applied.	Q2 to Q4
Prevent	Data Matching	Internal data matching initiatives aim to match internal data sets in order to identify anomalies or issues for review. This may be using existing software looking at creditor payments or by using internal software to compare other data sets to identified anomalies, fraud and error. All data is matched using provisions under the Data Protection Act 2018 and privacy notices are published on the Council's website. Privacy impact assessments are carried out before any matching is undertaken.	These pieces of work add value firstly by detecting issues that need to be investigated and identifying errors for recovery, and secondly by providing assurance over large amounts of data that transactions are correct.	Q1 to Q4
Prevent	Teachers Pensions Data Matching	Internal data matching of Teachers Pensions information to deceased persons data. This matching is a repeat of national matching exercises, but on a local level. Top up pensions are in place for some historic pensions. Whilst the Teachers' Pension Scheme is administered outside the Council, the top up payments are made by the Council. Historically, there have been cases where the Teachers' Pension Scheme has been notified of a death, but this information is not passed on to the Council and payments have continued, in some cases for up to 3 years. This piece of work is intended to create a rolling electronic match to local registrars' data in order to prevent further overpayment / fraud in this area.	These pieces of work add value firstly by detecting issues that need to be investigated and identifying errors for recovery, and secondly by providing assurance over teachers top up payments and preventing overpayments / frauds in this area.	Q3

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Detect - 116 days – 40% of the Fraud Plan				
Detect	National Fraud Initiative	Participation as required by the Cabinet Office in the National Fraud Initiative. This time is required to submit, co-ordinate, investigate, administer and report on the data matches as required.	The investigation of anomalies uncovered by the data matching, helps deter and identify fraud and error for recovery. It provides assurance over our financial transactions and helps to protect the public purse.	Q1 to Q4
Detect	AP Forensics Checks	Our internal AP Forensics Software monitors creditor payments and analyses trends and invoices in order to identify potential problems with suppliers and assist with the detection of procurement fraud. These counter fraud elements of this software are not routinely used and the intelligence that is available is not investigated. (Please note that the Accounts Payable Teams do use the software to detect and prevent duplicate payments, but the fraud side of the software is not in current use). Having this information available and not used, is wasteful. Matches from the system will be looked at on a risk basis and investigated to provide assurance over procurement fraud risks and detect and prevent frauds.	These pieces of work add value firstly by detecting issues that need to be investigated and identifying errors for recovery, and secondly by providing assurance over large amounts of data that transactions are correct.	Q2 to Q4
Detect	Business Rates COVID Grants	Business Rate Grants to help businesses cope with the pandemic have been issued throughout 2020/2021. This work will focus on post assurance grant checks to ensure validity and legitimacy of payment and look to attempt any recovery where possible. Support with fraud risk assessments and regular assurance reporting to Government will also be required throughout the year.	This project adds value by ensuring that payments already made are free from fraud and error and by attempting recovery of identified fraud and error.	Q1 to Q4

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Detect	Non-Business Rates Covid Grants	<p>Covid Pandemic grants have been a significant feature of the 2020/21 financial year. These are released with little prior warning due to the fluid nature of the response. Further grants will be released throughout 2021/22. A risk assessment is made upon receipt of funding received and this determines the further work required to gain assurance over the proper use of these monies.</p> <p>Further time may be required for consultation on fraud controls during their set up and operation and specific fraud testing on some of these grants. This work complements the above work set out in the Internal Audit Plan for 2021/22 and is a continuation of the work commenced in 2020/21.</p>	<p>This responsive time will add value by strengthening fraud prevention and detection controls on new grants, thereby protecting public funds during pay out.</p>	Q1 to Q4
Detect	Cash Trend Monitoring	<p>Cash is the most easily transported and stolen asset. Whilst cash is avoided as much as possible, it is still collected in some establishments, particularly in schools. This piece of work uses cash and banking information to monitor the regularity / frequency of banking and the amounts being banked to provide an early warning of potential fraud. This is followed up by testing to investigate any anomalies identified.</p>	<p>This piece of work aims to add value by preventing and detecting fraud and error. Whilst it cannot completely prevent fraud, it provides actionable intelligence to target resources to areas where there may be an issue.</p>	Q1 to Q4
Detect	BEIS and HMRC Data matching and Investigation Results	<p>BEIS are Department for Business Energy and Industrial Strategy. They have requested information (due for submission sometime in April), on Covid Business Grants. Their intention is to match these to HM Revenue and Customs data to detect fraud and error. It is likely that the majority of the work will fall to HMRC, however, liaison and investigation of some cases will be required. This provision of time allows for this. If necessary it will be extended.</p>	<p>This piece of work aims to add value to the wider public purse through joined up cross government collaboration on fraud detection.</p>	Q1 to Q4

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Pursue – 32 days – 11% of the Fraud Plan				
Pursue	Right to Buy and Tenancy Fraud Advice	Advice on the handling of and investigation of suspected cases of Tenancy Fraud and Right to Buy Fraud	Upfront checking and investigation prevents sales and provides the evidence needed to commence sanctions	Q1 to Q4
Pursue	Liaison with the Police	A provision of time for liaison with and referrals to the Police on active cases that are being referred through for criminal action.	Referrals to the Police on suitable cases ensures the prosecution of offenders and acts as a deterrent to future fraudsters. Referrals for prosecution are made in line with the Prosecutions and Sanctions Policy from the Anti-Fraud Bribery and Corruption Framework.	Q1 to Q4
Protect – 12 days – 4.1% of the Fraud Plan				
Protect	Fraud Awareness Week	Internal Fraud Awareness Week happens in November 2021. To coincide with the event, a fraud awareness event is planned. This event will be aimed at raising fraud awareness in staff and in the citizens of Doncaster, many of whom may fall victim to fraud or cybercrime themselves. It is intended to publish on the website or other media that is suitable, information that staff and citizens can use to spot and avoid frauds and scams.	This piece of work aims to add value to the wider Doncaster community by raising awareness of fraud and the social harm that it can do to help to educate and reduce the level of fraud and the severity of the impact on individuals. Whilst this is essentially aimed at private individuals and communities protecting themselves from fraud and corruption, this forms part of the Council's wider aims.	Q2 to Q3

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Doncaster Council

Report

Date: 29th April, 2021

To the Chair and Members of the
AUDIT COMMITTEE

COUNTER FRAUD ACTIVITY REPORT

EXECUTIVE SUMMARY

1. A new counter fraud strategy has been launched for local government, the Fighting Fraud and Corruption Strategy 2020. Arrangements for counter fraud at the Council are being adapted to meet this new strategy. The report that is attached, explains the new changes and gives an overview of the counter fraud function here at Doncaster Council.
2. The Council's Anti-Fraud, Bribery and Corruption Framework (its policy and strategy on how to deal with fraud and corruption) has been adapted to match the new strategy. Changes to it are largely cosmetic or are changes in terminology, with the exception of changes to the Prosecutions and Sanction Policy where new text has been added to explain how decisions as to whether or not to prosecute an offence are made. This enhanced clarity is based on the public interest decision test as administered by the Crown Prosecution Service.
3. The Council's policy remains to prevent, detect, investigate and prosecute fraud and corruption on a risk basis with action taken wherever it is in the public interest to do so.
4. Fighting Fraud and Corruption Locally Strategy 2020 has resulted in the audit plan being presented in a different way to previous years in that it has a plan for both non-fraud and fraud related work. Having a clearly set out plan of our proactive and reactive fraud work is designed to meet the requirements of the new strategy and make the counter fraud plan more transparent.
5. The attached report contains the following elements:
 - An assessment of compliance with the Fighting Fraud and Corruption Locally Strategy 2020 as required by the strategy;

- Updates to the Anti-Fraud, Bribery and Corruption Framework so that it matches the latest strategy;
- Horizon scanning for new fraud risks and the assessment of fraud risks for the Council; and
- Presentation of the new Counter Fraud Plan for the Internal Audit Service and an assurance map mapping coverage of the plan and activities to the risks on the fraud risk register (as required by the new strategy).

EXEMPT REPORT

6. This report is not exempt.

RECOMMENDATIONS

7. The Audit Committee is asked to support the report and approve:
- The Fighting Fraud and Corruption Locally Self-Assessment;
 - The changes to the Anti-Fraud, Bribery and Corruption Framework;
 - The Counter Fraud Plan and the assurance map which maps all the proposed activities to fraud risks.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. Fraud and corrupt activity divert scarce resources away from Council and other public services. They cost the taxpayer money that could have been used for the benefit of local citizens. Maintaining a strong counter fraud stance helps to minimise fraud losses and deter fraudulent activity. Typically, the most vulnerable in society bear the cost of most of the fraud as it limits council spending on those users that need our services the most.

BACKGROUND

9. A counter fraud strategy has been in place in the form of an Anti-Fraud, Bribery and Corruption Framework since 1999 and it has been through many iterations as counter fraud strategy across local government changes in response to the changing fraud landscape.
10. Counter fraud work has always been a feature of the Internal Audit Plan, the latest strategy and changes proposed increase transparency and ease of access.

OPTIONS CONSIDERED

11. Not applicable

REASON FOR RECOMMENDED OPTION

12. Not applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	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 	No implications.
	<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 	Fraud and error reduces the money available to the public purse and, therefore, has an impact on the Council's ability to provide services and develop Doncaster for its citizens.
	<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 	No implications
	<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 	No implications.

	Outcomes	Implications
	<p>life</p> <ul style="list-style-type: none"> • 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>Error and fraud against the Council directly affect the public purse by reducing the amount of monies available to the Council to provide services and improvements for Doncaster citizens.</p>

RISKS AND ASSUMPTIONS

13. Failure to address fraud and corruption risks causes:-
- reputational damage to the Council from fraud and corrupt practices;
 - diverts scarce resources away from priority services to the detriment of our citizens.

LEGAL IMPLICATIONS [SRF 19/04/21]

14. The Council is obliged to minimise the loss of resources resulting from fraud and corruption. The work detailed within this report supports that obligation.

FINANCIAL IMPLICATIONS [SJT 16/04/21]

15. Failure to minimise and effectively deter and combat fraud and corruption detracts from Council funds and therefore Council service delivery at a time of increased budgetary pressure and service demands.
16. The financial benefits of effectively minimising fraud in this period can be found in the body of the report.

HUMAN RESOURCE IMPLICATIONS [KM 19/04/21]

17. Whilst there are no resource implications directly caused by this report, there are implications for Human Resources where employees undertake fraud, (or are alleged to have undertaken). In these cases, Human Resources are involved in all investigations to ensure that these are conducted properly, and appropriate and timely action is taken against the employee.

TECHNOLOGY IMPLICATIONS [PW 19/04/21]

18. There are no anticipated technology implications in relation to this report.

HEALTH IMPLICATIONS [RS 15/04/21]

19. There are no direct health implications in this report. Effective audit and governance should contribute to improved health and wellbeing by maximising the effectiveness of public spending. Preventing and detecting fraud and error is a contributor to good governance.

EQUALITY IMPLICATIONS [NFW 13/04/21]

20. Every citizen in Doncaster is affected by fraud both as a result of fraud committed against them and fraud committed against the Council. Whilst every citizen is affected, fraudsters generally target citizens with protected characteristics such as the young, the elderly, those with mental health issues or those with learning disabilities. Similarly, reductions in the Council's spending power as a result of fraud and error reduce monies available to support Doncaster Citizens. Whilst every citizen is again affected by this, groups with protected characteristics are the most vulnerable to these affects as they access a higher proportion of Council services.

CONSULTATION

21. None

BACKGROUND PAPERS

22. The Fighting Fraud and Corruption Locally Strategy 2020 as available on the CIPFA website.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

23. All abbreviations and acronyms are written in full in the report with their abbreviations used only after the first instance. Items used are:
 - NFI – National Fraud Initiative
 - FTE – Full time equivalent employees
 - HMRC – HM Revenue and Customs
 - BEIS – The Department for Business Energy and Industrial Strategy

REPORT AUTHOR & CONTRIBUTORS

Nicola Frost-Wilson, Internal Audit Manager,
Tel 01302 862931 E-mail – Nicola.Frost-Wilson@Doncaster.gov.uk

Appendices

Appendix A – Counter Fraud Activity Report and Associated Appendices

**Faye Tyas
Assistant Director of Finance**

Counter Fraud Activity Report

2021/22



PROTECTING ITSELF AND ITS RESIDENTS

*Recognising the harm that fraud can cause in the community.
Protecting itself and its' residents from fraud.*

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Please note that Appendix 1 has been supplied as a separate document due to its size.

1. Introduction

- 1.1. This report outlines the Council's approach to counter fraud activity within Doncaster Council and St Leger Homes for the 2021/22 financial year. The Council's overall approach and strategy is contained within the Anti-Fraud, Bribery and Corruption Framework that is approved by Audit Committee. This framework has been refreshed and now accompanies this report.
- 1.2. The Council's approach is based on the Local Government Fighting Fraud and Corruption Strategy 2020, implementation being delayed at Doncaster Council due to the Covid-19 pandemic.
- 1.3. This latest strategy requires greater clarity for those charged with the oversight and challenge of the counter fraud function, which has led directly to the creation of this report and its subsequent appendices. Whilst the counter fraud function itself remains largely unchanged, except for the additional clarity and transparency that this report brings, embedding this new strategy has required the following changes:
 - Updates to the Anti-Fraud Bribery and Corruption Framework;
 - The maintenance of a separate audit plan for counter fraud – The Counter Fraud Plan, in order to improve transparency and accountability;
 - The sharing of the Fraud Risk Register with the Audit Committee that enables the mapping of risks to the Counter Fraud Plan, showing coverage against the risks and any gaps in coverage;
 - Clarity over counter fraud resources;
 - An annual self-assessment of the Counter Fraud Function that is shared with the Audit Committee.
- 1.4. The strategy still requires the annual publication of Counter Fraud Results, for both proactive and reactive work. For Doncaster Council, this is the annual Preventing and Detecting Fraud and Error report that is reported to the Audit Committee following the end of the reporting period (currently 30th of September). This date is set to coincide with the close down / results phase of the largest piece of fraud work on the Counter Fraud Plan, the National Fraud Initiative.

2. Fighting Fraud Locally – Self Assessment

- 2.1. A self-assessment with the Fighting Fraud and Corruption Locally Strategy 2020 has been completed and is attached to this report as Appendix 2.
- 2.2. This assessment finds that the Council's Counter Fraud Function is, in the main, compliant with the new strategy. Some improvements were identified and have been actioned in the creation of this report. Where actions were identified they have been clearly identified in the self-assessment, where appropriate, actions have been identified and included for improvement.
- 2.3. One item of non-compliance was noted and it is proposed not to change the current arrangements. The Fighting Fraud and Corruption Locally Strategy 2020, recommends a dedicated Portfolio Holder for fraud and counter fraud work. Doncaster Council does not have this in place. Instead this remit is discharged by the Audit Committee collectively. Changing this responsibility, is not felt to add any real value over and above current arrangements, so it is proposed to keep this responsibility with the Audit Committee instead.

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

- 3.1. The Council's Anti-Fraud, Bribery and Corruption Framework, contains the Council's policy and strategy for dealing with fraud, both within the Council and against it. This framework has been updated to compliment the latest Fighting Fraud Locally Strategy.
- 3.2. On review, it was found that the Framework remains fit for purpose and the changes made are largely cosmetic or are changes in terminology with a move from the older "Acknowledge, Prevent, Pursue" model to the newer "Govern, Acknowledge, Prevent, Pursue and Protect" model. The Framework and the Counter Fraud Plan are both now reflective of this new model and show how they link to this strategy.
- 3.3. After digesting the new strategy, it was decided that the Prosecutions and Sanctions Policy within the Anti-Fraud and Corruption Framework needed amendment so that the policy has greater transparency and shows clearly the public interest decisions process surrounding decisions the prosecution of any cases.
- 3.4. The revised Anti-Fraud, Bribery and Corruption Framework accompanies this report as Appendix 1 and is put forwards for approval by the Audit Committee.

4. Horizon Scanning

- 4.1. The fraud landscape changes constantly, with fraudsters constantly developing their techniques and exploiting new areas of weakness. Councils and other public bodies are constantly playing catch up with limited resources. Whilst there are no recent studies of fraud across the public sector, the last available report from 2017 placed the



cost of fraud against the public sector in the UK at £40.4bn, that figure however, can only grow. Detected fraud however, represents only a small proportion of the overall size of the problem. Like the proverbial iceberg, it's the undetected element that no one can see that remains the biggest risk.

- 4.2. The 2020/21 financial year has been a bumper year for fraudsters, with a plethora of new fraud opportunities brought about by the Covid-19 pandemic. Grants have been awarded in many areas of life from individual payments for Covid isolation grants to self-employed and business rates grants. The fast pace of change and the speed of roll out of these measures, with little initial government guidance and financial and grant controls developing on the fly, created a unique environment in which fraudsters found it easier to undertake their nefarious activities.
- 4.3. Looking forward for the year, we are seeing further grants and reliefs being issued by the government targeting support at businesses or specific sectors that are being adversely impacted by the pandemic.

- 4.4. Controls for Business Rates Grants have been developed and are now significantly more robust than they were at the outset. Whilst time was always invested from the outset, in checking and verifying claims for these grants, more checks and controls have developed as the subsequent grant windows were released, with those early grants representing the highest risk exposures in terms of fraud. However, this does not mean that subsequent claim windows for this type of grant are now “safe”. These grants have been included in data matching activities (the National Fraud Initiative) with a view to detecting more of the fraudulent activity. Time is also being invested from the Counter Fraud Plan to continue work and checking in this area to detect and, where possible, recover fraud losses.



4.5. Whilst other major forms of grant are unknown at this stage, it is highly likely that further



business support grants, some sector specific grants and other economy boosting incentives will be released in 2021/22. One in question will be the Restart Grant enabling non-essential retail and other sectors to reopen with assistance. A provision of time for work on new grants has also been included in the

Counter Fraud Plan, with a preference to involvement during the grant set up to ensure that it is robustly controlled and minimises fraud as much as possible, whilst still ensuring that those grants reach their recipients expediently.

4.6. Cyber enabled crime continues to rise. (This is any crime or fraud committed using technology). This is also partly fuelled by the Covid-19 pandemic. The closure of premises and restrictions in terms of social distancing, has seen many services that previously dealt with face to face clients, move to online services and digitise most remaining



services. Industry experts believe, that identity fraud continues to rise. This has a negative impact on the citizens of Doncaster (in terms of their financial health) and a negative impact on the Council as these stolen identities are often used to commit other forms of economic crime such as Covid-19 grant fraud.

4.7. The move to more digitised services in response to Covid-19 also weakens some existing control environments having impacts on fraud risks such as Right to Buy Fraud. With discounts of up to 70% of the value of a property (with a maximum exposure of £84,600), Right to Buy Fraud is a lucrative opportunity for fraudsters and represents an



opportunity for criminal elements to launder money into legitimate assets. From June 2019 to March 2020, 176 applications were received with 83 properties sold with increasing numbers year on year. In person checks on right to buy applications have been suspended in favour of Covid-19 safe practices. This makes it harder to know who you are dealing with, and whether this is the tenant or not. Evidence that would normally be seen in person and in its original form, is now seen electronically from scanned images or in the form of electronic documents such as bank statements. Whilst it was always possible to forge evidence, digital forgeries are significantly easier with many of the tell tale signs of manipulation masked. Enhanced checking is needed

to minimise both Right to Buy Fraud and Money Laundering. (It should be noted that money laundering in terms of property sales like Right to Buy sales, are the only significant money laundering risk that the Council is exposed to). This risk is effectively managed on behalf of the Council by St Leger Homes, although the risk exposure in terms of losses remains firmly with the Council. This risk is covered on their audit plan and advice and counter fraud checks are undertaken by Internal Audit fraud staff to mitigate these risks.

- 4.8. Austerity measures, continue to have an effect on fraud risks, particularly financial fraud



risks that involve cash or the misappropriation of income.

Whilst most areas of the Council have little involvement with cash, schools in particular remain at risk. Austerity measures have seen back office and administrative based activities cut hardest over the last five years. Most schools, particularly smaller primary schools, having only two or three office staff supporting their income and banking activities. These cuts minimise the opportunity for traditional segregation of duty based financial controls, with many schools having just one person regularly involved in cash handling and banking with little opportunity for other involvement. This weakening of the controls places the cash collection processes in these schools at heightened risk. Risks can be minimised by the use of electronic school meals payment systems, however, they have also been used to perpetrate fraud and extort money from educational establishments. In addition, these office cuts put schools at heightened risk of procurement or invoice fraud, with limited staff resources available for checking, fraudulent and fake invoices may slip through these weakened control environments. Two significant frauds have been uncovered in schools run by the Council in the last three years, one of which remains in progress at the date of this report. Most schools have not been audited in eight to ten years (please note that academies are not the responsibility of the local authority). Two schools are included in the linked Internal Audit Plan but further work is likely needed in this area to ensure that control environments in place are suitable to protect these establishments.

- 4.9. Whilst there are other risks on the horizon, the above remain the dominant risks for the year ahead.

5. Fraud Risks

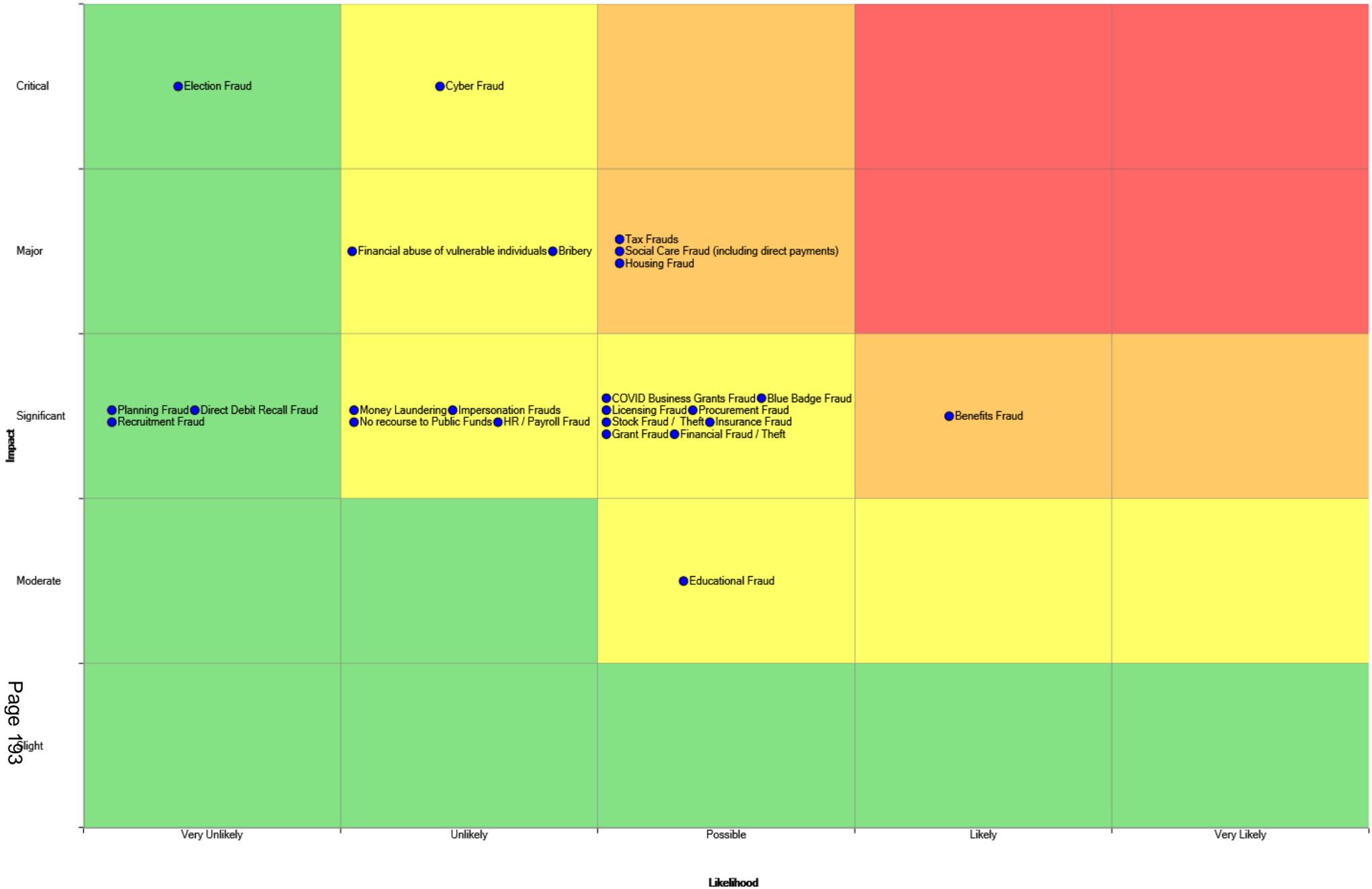
- 5.1. Fraud risks are routinely mapped and their assessments updated in line with the ever changing face of fraud, both nationally and locally. Fraud risks are mapped against every department and activity within the Council with a collective aggregated score for

each risk type on the register. This aggregated score, makes up the Strategic Fraud Risk Register.

5.2. Fraud risks are rated using the standard Doncaster Council Risk Management Framework with financial, legislative and reputational impacts all used to rate the overall level of risk exposure. The colouring of the heat map however, does differ from the standard Doncaster model. This is due to the fact that very high impact frauds that are rated as very unlikely to occur would show as AMBER on the Doncaster register, requiring further mitigation. However, in terms of fraud risks, very unlikely represents the maximum level to which they can be controlled.

5.3. The fraud risk register maps risks that may be committed against the Council and some which may be carried out by Council staff or with the use of Council ID cards or information and are informed by our assessments and horizon scanning. Visually our risk map is as follows in the next page.

Risk Heatmap



5.4. The risks shown on the heat map are a mixture of inherent and residual risk exposures. Where work has been undertaken on these risks, the results have been used to inform the current risk level. Explanations of these risks along with the anticipated direction of travel are shown in Appendix 3.

6. Counter Fraud Resource Levels

6.1. Counter fraud work has been previously shown in the Internal Audit Plan, however, this is not in keeping with the above strategy and makes comparison to other local authorities who have separate counter fraud functions more difficult. Work on items specifically designed to counter fraud and corruption or to look at counter fraud controls, internal data matching and ongoing responsive work can all be found on the Counter Fraud Plan. Work looking at general internal control environments and standard sample based assurance work, can all be found on the audit plan.

6.2. There remains a link between the two, with issues uncovered during audits feeding into the fraud risk assessments and issues uncovered during responsive investigations fed into the audit risk assessments to inform further audits in areas where issues were noted. Time allocated for contingencies continues to be shown on the Internal Audit plan, this is because this time may or may not be used for actual fraud investigation; it may also be used for internal non-fraud related investigations.

6.3. The Counter Fraud Plan for the Internal Audit Service, shown later in this document, currently comprises the equivalent 1.73 Full Time Equivalent employees (FTEs). Further contingency time usage on fraud investigations is likely to bring this close to 2 FTEs, with a minimum of 6.4FTEs on the Internal Audit Plan (more if contingencies for fraud investigation are used on general audit responsive work).

6.4. The Head of Internal Audit will ensure adequate resources are in place to deliver counter fraud work as required.

7. Assurance Mapping and the Counter Fraud Plan

7.1. The Counter Fraud Plan has been constructed from the Fraud Risk Register and horizon scanning and can be mapped directly to risks as required in the Fighting Fraud and Corruption Strategy. An assurance map has been created that has mapped all risks to our coverage of them (including audits as included on the proposed Counter Fraud Plan for 2021/22) giving clear visibility of proposed coverage and gaps. Full explanations of the risks can be found in the Fraud Risk Register at Appendix 3.

7.2. It should be noted, that some of the data matching initiatives are listed without a topic. This is to protect the integrity of the work and avoid publicising the matches planned and giving fraudsters awareness of controls that they need to avoid. This however, is not necessary where the match is a repeat of something done previously or is already a national match that is undertaken under the National Fraud Initiative and therefore is already published in the public arena.

7.3. The Counter Fraud Plan appears in the next section for scrutiny and approval. Following the plan, is an assurance map that maps all of the proposed activity to fraud risks, clearly showing the mapping of activity to the 4 Lines of Defence model. This model, in simple terms, shows the assurance activities on which we are placing reliance.

- The first line is always the service department that is responsible for administering or carrying out the function. It is their responsibility to design controls that are sufficient to protect the service and the public purse.
- The second line of defence is any non-audit internal department that performs checking on the activities or any form of compliance assessment. This can be electronic or manual. Most services however, do not have a compliance function, with the exception of areas such as Direct Payments.
- The third line of defence is Internal Audit or the Counter Fraud Function and their checking, either in the form of audits, compliance work or data matching initiatives. The third line of defence map therefore maps Counter Fraud activity to these risks.
- The final fourth line of defence is essentially any external body (such as the external auditor) or regulatory body that also undertakes audits, inspections or compliance checks on the fraud risk.

7.4. Looking at fraud risks in this way gives clear visibility over the level of coverage against the identified risks and assess its adequacy.

7.5. The Audit Committee is asked to support and approve the Counter Fraud Plan.

8. The Counter Fraud Plan

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Govern – 4 Days - 1.3% of the Counter Fraud Plan				
Govern	Audit Committee Anti-Fraud Training	Training of the Audit Committee will be undertaken during 2021/22 to raise awareness of their responsibilities in combatting fraud and corruption and give an overview of activity being undertaken.	Anti-fraud cultures are important in public services and the tone starts from the top. This piece of work aims to educate and inform to strengthen the counter fraud / anti-fraud culture at Doncaster Council.	Q1
Prevent– 117 Days - 39.4% of the Counter Fraud Plan				
Prevent	Counter fraud and money laundering training	Re-development and relaunch of corporate e-learning for anti-fraud and money laundering in line with new changes to the Anti-Fraud and Corruption Framework.	Ensuring adequate training is a substantial part of the development and maintenance of a robust anti-fraud culture and the maintenance of an “adequate procedures” defence under the Bribery Act.	Q2 to Q3
Prevent	Declarations of Interest (Officers and Members).	This audit will look at the Council's arrangements to register member and officer interests and to subsequently manage those interests to enhance transparency and prevent fraud and similar accusations.	This review aims to add value by ensuring that preventative counter fraud controls in this area are operating effectively and are being properly complied with by both members and officers	Q3
Prevent	Continual Analytics - System Changes	New reports from iTrent, the Council's payroll system, were made available during 2020/21. These are processed using internal data matching techniques for investigation. This project will integrate the new reports into our data matching solution in order to recommence internal data matching on Payroll and Creditor information for both ourselves and St Leger Homes.	This piece of work is necessary in order to continue our continual analytics program for fraud prevention and detection.	Q1
Prevent	Continual Analytics - Payroll to Creditor Matching	Data matching of payroll and creditor information to detect fraud and manage conflicts of interest.	This work adds value by identifying possible fraud or collusion and ensuring that conflicts of interest identified are being properly managed. It also helps to check that IR35 (a tax rule about off payroll payments to persons who may be classed as employees) is being properly applied.	Q2 to Q4

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Prevent	Data Matching	Internal data matching initiatives aim to match internal data sets in order to identify anomalies or issues for review. This may be using existing software looking at creditor payments or by using internal software to compare other data sets to identified anomalies, fraud and error. All data is matched using provisions under the Data Protection Act 2018 and privacy notices are published on the Council's website. Privacy impact assessments are carried out before any matching is undertaken.	These pieces of work add value firstly by detecting issues that need to be investigated and identifying errors for recovery, and secondly by providing assurance over large amounts of data that transactions are correct.	Q1 to Q4
Prevent	Teachers Pensions Data Matching	Internal data matching of Teachers Pensions information to deceased persons data. This matching is a repeat of national matching exercises, but on a local level. Top up pensions are in place for some historic pensions. Whilst the Teachers' Pension Scheme is administered outside the Council, the top up payments are made by the Council. Historically, there have been cases where the Teachers' Pension Scheme has been notified of a death, but this information is not passed on to the Council and payments have continued, in some cases for up to 3 years. This piece of work is intended to create a rolling electronic match to local registrars' data in order to prevent further overpayment / fraud in this area.	These pieces of work add value firstly by detecting issues that need to be investigated and identifying errors for recovery, and secondly by providing assurance over teachers top up payments and preventing overpayments / frauds in this area.	Q3

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Prevent	Non-Business Rates Covid Grants	<p>Covid-19 pandemic grants have been a significant feature of the 2020/21 financial year. These are released with little prior warning due to the fluid nature of the response.</p> <p>Further grants will be released throughout 2021/22. A risk assessment is made upon receipt of funding received and this determines the further work required to gain assurance over the proper use of these monies. This time will give advice on the set up of appropriate grant controls. This work complements the above work set out in the Internal Audit Plan for 2021/22 and is a continuation of the work commenced in 2020/21.</p>	<p>This responsive time will add value by strengthening fraud prevention and detection controls on new grants, thereby protecting public funds during pay out.</p>	Q1 to Q4
Detect – 132 Days – 44.4% of the Counter Fraud Plan				
Detect	National Fraud Initiative	<p>Participation as required by the Cabinet Office in the National Fraud Initiative. This time is required to submit, co-ordinate, investigate, administer and report on the data matches as required.</p>	<p>The investigation of anomalies uncovered by the data matching, helps deter and identify fraud and error for recovery. It provides assurance over our financial transactions and helps to protect the public purse.</p>	Q1 to Q4
Detect	AP Forensics Checks	<p>Our internal AP Forensics Software monitors creditor payments and analyses trends and invoices in order to identify potential problems with suppliers and assist with the detection of procurement fraud. These counter fraud elements of this software are not routinely used and the intelligence that is available is not investigated. (Please note that the Accounts Payable Teams do use the software to detect and prevent duplicate payments, but the fraud side of the software is not in current use). Having this information available and not used, is wasteful. Matches from the system will be looked at on a risk basis and investigated to provide assurance over procurement fraud risks and detect and prevent frauds.</p>	<p>These pieces of work add value firstly by detecting issues that need to be investigated and identifying errors for recovery, and secondly by providing assurance over large amounts of data that transactions are correct.</p>	Q2 to Q4

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Detect	Business Rates COVID Grants	Business Rate Grants to help businesses cope with the pandemic have been issued throughout 2020/2021. This work will focus on post assurance grant checks to ensure validity and legitimacy of payment and look to attempt any recovery where possible. Support with fraud risk assessments and regular assurance reporting to Government will also be required throughout the year.	This project adds value by ensuring that payments already made are free from fraud and error and by attempting recovery of identified fraud and error.	Q1 to Q4
Detect	Non-Business Rates Covid Grants	Covid-19 pandemic grants have been a significant feature of the 2020/21 financial year. These are released with little prior warning due to the fluid nature of the response. Further grants will be released throughout 2021/22. This element of the plan will look at the payments made and review payments for compliance, fraud and error	This responsive time adds value by detecting fraud on new grants that are released during the year. Where fraud is not detected, this provides assurance that the payments are accurate and free from error. Please note that it is likely that government based data matching will also be required throughout the year on new grants, as it has on some of the existing grants.	Q1 to Q4
Detect	Cash Trend Monitoring	Cash is the most easily transported and stolen asset. Whilst cash is avoided as much as possible, it is still collected in some establishments, particularly in schools. This piece of work uses cash and banking information to monitor the regularity / frequency of banking and the amounts being banked to provide an early warning of potential fraud. This is followed up by testing to investigate any anomalies identified.	This piece of work aims to add value by preventing and detecting fraud and error. Whilst it cannot completely prevent fraud, it provides actionable intelligence to target resources to areas where there may be an issue.	Q1 to Q4
Detect	BEIS and HMRC Data matching and Investigation Results	BEIS are Department for Business Energy and Industrial Strategy. They have requested information (due for submission sometime in April), on Covid Business Grants. Their intention is to match these to HM Revenue and Customs data to detect fraud and error. It is likely that the majority of the work will fall to HMRC, however, liaison and investigation of some cases will be required. This provision of time allows for this. If necessary it will be extended.	This piece of work aims to add value to the wider public purse through joined up cross government collaboration on fraud detection.	Q1 to Q4

Response Area	Audit Project	Audit Scope	Value Added	Quarter
Pursue – 32 Days – 10.8% of the Counter Fraud Plan				
Pursue	Right to Buy and Tenancy Fraud Advice	Advice on the handling of, and investigation of, suspected cases of Tenancy Fraud and Right to Buy Fraud	Upfront checking and investigation prevents sales and provides the evidence needed to commence sanctions	Q1 to Q4
Pursue	Liaison with the Police	A provision of time for liaison with and referrals to the Police on active cases that are being referred through for criminal action.	Referrals to the Police on suitable cases ensures the prosecution of offenders and acts as a deterrent to future fraudsters. Referrals for prosecution are made in line with the Prosecutions and Sanctions Policy from the Anti-Fraud Bribery and Corruption Framework.	Q1 to Q4
Protect – 12 Days – 4% of the Counter Fraud Plan				
Protect	Fraud Awareness Week	Internal Fraud Awareness Week happens in November 2021. To coincide with the event, a fraud awareness event is planned. This event will be aimed at raising fraud awareness in staff and in the citizens of Doncaster, many of whom may fall victim to fraud or cybercrime themselves. It is intended to publish on the website or other media that is suitable, information that staff and citizens can use to spot and avoid frauds and scams.	This piece of work aims to add value to the wider Doncaster community by raising awareness of fraud and the social harm that it can do to help to educate and reduce the level of fraud and the severity of the impact on individuals. Whilst this is essentially aimed at private individuals and communities protecting themselves from fraud and corruption, this forms part of the Council's wider aims.	Q2 to Q3

9. Counter Fraud Risk Assurance Map

	Service Controls and Checking (1st Line)	Independent non audit checking (2nd Line)	External Checking (4th Line)	Counter Fraud Plan Coverage (3rd Line of Defence)									
<i>FFCL Mapping</i>				<i>Prevent</i>	<i>Prevent</i>	<i>Prevent</i>	<i>Prevent</i>	<i>Prevent</i>	<i>Detect</i>	<i>Detect</i>	<i>Detect</i>	<i>Detect</i>	<i>Detect</i>
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Interest (Officers and Members).	Continual Analytics - Payroll to Creditor Matching	Data Matching	Teachers Pensions Data Matching	Other Covid Grants	National Fraud Initiative	AP Forensics Checks	Business Rates COVID Grants	BEIS and HMRC Data matching and Investigation Results	Cash Trend Monitoring
Benefits Fraud	Housing Benefits		Department of Work and Pensions and HMRC – Real Time Matching Services.			To be confirmed			✓				
Blue Badge Fraud	Parking Enforcement / Customer Services (for applications)					To be confirmed			✓				
Bribery	Line management in all areas, but no one specific area is responsible for controlling this risk			✓		To be confirmed		✓		✓	✓	✓	
COVID Business Grants Fraud	Business Rates			✓		To be confirmed		✓	✓		✓		
Cyber Fraud	ICT		External network security scans are undertaken by the Public Services Network and vulnerabilities identified for improvement	No planned coverage, reliance being placed on external security scans.									
Direct Debit Recall Fraud				No planned coverage – Very low risk for Doncaster Council									
Educational Fraud	School Admissions / Early Years Teams			No planned coverage.									

	Service Controls and Checking (1st Line)	Independent non audit checking (2nd Line)	External Checking (4th Line)	Counter Fraud Plan Coverage (3rd Line of Defence)									
<i>FFCL Mapping</i>				<i>Prevent</i>	<i>Prevent</i>	<i>Prevent</i>	<i>Prevent</i>	<i>Prevent</i>	<i>Detect</i>	<i>Detect</i>	<i>Detect</i>	<i>Detect</i>	<i>Detect</i>
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Interest (Officers and Members).	Continual Analytics - Payroll to Creditor Matching	Data Matching	Teachers Pensions Data Matching	Other Covid Grants	National Fraud Initiative	AP Forensics Checks	Business Rates COVID Grants	BEIS and HMRC Data matching and Investigation Results	Cash Trend Monitoring
Election Fraud	Elections Team		Electoral Commission	No planned coverage – Reliance placed on external coverage.									
Financial abuse of vulnerable individuals	All areas that work with vulnerable individuals are responsible for this and this is covered under the Code of Conduct.		Where Guardianship Orders are in place for the finances of vulnerable people that are managed by the Council, the Court of Protection requires annual reporting and scrutinises activity and expenditure.	✓									
Financial Fraud / Theft	Schools and establishments	Financial Management – however this is very limited as it only monitors that monies that the establishment says have been banked, have been received.				To be confirmed							✓
Grant Fraud (excluding business rates)	Various areas who administer grant payments			✓		To be confirmed		✓					
Housing Fraud	St Leger Homes / Housing Options / Right to Buy Team					To be confirmed			✓				

	Service Controls and Checking (1st Line)	Independent non audit checking (2nd Line)	External Checking (4th Line)	Counter Fraud Plan Coverage (3rd Line of Defence)									
FFCL Mapping				Prevent	Prevent	Prevent	Prevent	Prevent	Detect	Detect	Detect	Detect	Detect
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Interest (Officers and Members).	Continual Analytics - Payroll to Creditor Matching	Data Matching	Teachers Pensions Data Matching	Other Covid Grants	National Fraud Initiative	AP Forensics Checks	Business Rates COVID Grants	BEIS and HMRC Data matching and Investigation Results	Cash Trend Monitoring
HR / Payroll Fraud	All areas	HR Shared Payroll exception report checking, but this would likely only identify error or large issues.		✓	✓	To be confirmed	✓		✓				
Impersonation Frauds	Facilities Management / All Areas			No planned coverage – this risk was looked at in 2020/21 as part of leaver management processes and the management of ID cards.									
Insurance Fraud	Insurance Team		The Council's Insurers oversee and audit claims handling at the Council and undertakes inspections.	No planned coverage, reliance being placed on the Council's Insurer and their audit of activities.									
Licensing Fraud	Licensing Team	Food Safety and Trading Standards		No planned coverage. The work of the Trading Standards and Food Safety Teams was subject to audit and review in 2019/20.									
Money Laundering	Finance / Right to Buy Team (St Leger Homes)	Advice is routinely provided by Internal Audit on suspected cases.				To be confirmed			✓				
No recourse to Public Funds	St Leger Homes / Housing Options / Homeless Accommodation					To be confirmed			✓				
Planning Fraud	Planning	Significant and controversial decisions are taken by the Planning Committee	Planning Appeals Processes.	No planned coverage – Audit work in this area was last undertaken in 2019/20.									

	Service Controls and Checking (1st Line)	Independent non audit checking (2nd Line)	External Checking (4th Line)	Counter Fraud Plan Coverage (3rd Line of Defence)									
<i>FFCL Mapping</i>				<i>Prevent</i>	<i>Prevent</i>	<i>Prevent</i>	<i>Prevent</i>	<i>Prevent</i>	<i>Detect</i>	<i>Detect</i>	<i>Detect</i>	<i>Detect</i>	<i>Detect</i>
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Interest (Officers and Members).	Continual Analytics - Payroll to Creditor Matching	Data Matching	Teachers Pensions Data Matching	Other Covid Grants	National Fraud Initiative	AP Forensics Checks	Business Rates COVID Grants	BEIS and HMRC Data matching and Investigation Results	Cash Trend Monitoring
Procurement Fraud	Procurement Team and all teams involved in commissioning or procurement			✓	✓	To be confirmed			✓	✓			
Recruitment Fraud	HR Shared Payroll Service	Compliance checking on documentation and completed checks is undertaken by the HR Shared Service and all application and interview packs are sent to them for compliance testing.		No planned counter fraud activity, however, a general audit is due in 2021/22 on the Internal Audit Plan which will look at the overall arrangements for recruitment and provide assurance over the quality of the compliance checking under the Shared Service Agreement.									
Social Care Fraud (including direct payments)	Financial Assessments / Direct Payments Teams	Direct Payments are subject to compliance reviews by an independent team. Others are not.		✓		To be confirmed			Suspended by NFI (awaiting clearance to restart)				
Stock Fraud / Theft	All areas holding stock		Limited scrutiny by the External Auditor over stock valuations at year end.	No proposed coverage. Routine audits on North Bridge Stores, PPE (personal protective equipment stores) and the Home Alarms service have all been undertaken in the last 2 years and provide coverage major stock holdings.									
Tax Frauds	Council Tax / Business Rates, HR Shared Payroll Service / Treasury Management		HMRC has the ability to audit for VAT compliance but this is rare. HMRC data matching over PAYE payments however is in place.			To be confirmed			✓			✓	✓

10. Appendix 2 - Fighting Fraud and Corruption Locally Self-Assessment

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
The Chief Executive should ensure that the authority is measuring itself against the checklist for FFCL.	G	This assessment discharges this responsibility.		
Is there a trained counter fraud resource in your organisation or do you have access to one?	G	<p>Yes. The Internal Audit Manager is responsible for the management of the St Leger Homes and Fraud / Counter Fraud audit plans and the associated work under them. This person is CCIP trained and has extensive experience. The team also has a Senior Auditor that works on both the Audit and Counter Fraud plans who holds the same qualification. Each audit area (counter fraud included), has an assigned responsible Principal Auditor, whilst this person does not hold a fraud qualification, on the job training is being provided to impart the necessary skills.</p> <p>The Head of Internal Audit is also CCIP qualified and is available whenever required.</p>		
Is the Audit Committee receiving regular reports on the work of those leading on fraud and is the external auditor aware of this?	G	<p>The Audit Committee has previously received the Preventing and Detecting Fraud and Error report annually. This report runs from the 1st of October annually to the 30th of September. It is produced for the first available audit committee after the cut-off date. This report is timed to coincide with the major National Fraud Initiative dates as each cycle of activity ends on the 30th of September with data gathering commencing in October for the new cycle. This report contains all of the actual work undertaken on counter fraud work and investigations.</p> <p>Counter fraud work, has previously featured in the Annual Audit Plan, however, transparency and accountability for its delivery when merged with all audit work items is poor. Accordingly, the Counter Fraud plan has been shown as a defined plan as part of the Annual Audit Plan. In doing so the work of those leading on fraud is clearer and more accountable with clear visibility of the issues being tackled and coverage of those risks.</p>	Produce a separate Counter Fraud Plan for clarity on the work in this area.	Complete

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
Is there a portfolio holder who has fraud within their remit?	G	<p>There is a specific portfolio holder for Internal Audit. The Audit Committee has responsibility for the following specific functions in relation to fraud:</p> <p>To monitor counter-fraud strategy, actions and resources.</p> <p>To review the assessment of fraud risks and potential harm to the Council from fraud, bribery and corruption.</p>		
Is the Head of Internal Audit or Head of Counter Fraud assessing resources and capability?	A	<p>Counter Fraud resources are assessed at audit planning stage.</p> <p>The level of counter fraud resources employed differs from council to council. Current resource levels, as given on the accompanying plan, represent 1.73 full time equivalent persons</p> <p>Audit resources are being assessed currently although there is sufficient capability and experience in the team as previously described. The requirements of the counter fraud plan will help inform that assessment</p>	Investment in counter fraud activities needs to be maintained and not further eroded.	Ongoing
Do they have sufficient internal unfettered access?	G	<p>Access internally to information, persons and systems is covered under the Internal Audit Charter that is approved regularly at Audit Committee and there are no concerns in this respect. For St Leger Homes, a similar Internal Audit Charter is in place.</p> <p>Investigative powers and memberships of investigative collaborative bodies such as the National Anti-Fraud Network, are also used to maximise the effectiveness of investigations.</p>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
Do they produce a report on activity, success and future plans and are they measured on this?	G	<p>An annual Preventing and Detecting Fraud and Error report is produced for Audit Committee challenge / reporting and it contains the results of all completed counter fraud work and investigations.</p> <p>Counter fraud activity was included in the Internal Audit Plan and subsequent update reports. There was no clear reporting of whether the Counter Fraud plan had actually been achieved (as it was part of a larger entity) or how the activities undertaken shaped future work. For this reason, a separate plan has been produced in 2021/22 to enable this measurement and transparency. Ideally, the Counter Fraud plan should run alongside the annual Preventing and Detecting Fraud and error report which runs from October to September, however, this is not possible as currently those working on the Counter fraud Plan, also work on the Internal Audit Plan, e.g. there is no separate fraud team. This makes it extremely difficult to create the plan at a different time to the Internal Audit Plan.</p>	Produce a separate Counter Fraud Plan for clarity on the work in this area and transparency of monitoring.	Completed
Are members, audit committees and portfolio leads aware of counter fraud activity and is training available to them?	G	<p>The Audit Committee is aware of its responsibilities in respect of counter fraud activity, training is planned in June / July as a refresher.</p> <p>General training for non-audit committee members is not available but will be developed and rolled out via e-learning. General training is will also be refreshed and relaunched.</p> <p>Whilst these are listed as actions, both are already shown on the Counter Fraud Plan.</p>	<p>Undertake training for the Audit Committee on fraud risks and counter fraud activity.</p> <p>Refreshed and relaunch general counter fraud training on e-learning</p>	<p>July, 2021</p> <p>March, 2021</p>
The Audit Committee should receive a report at least once a year on the counter fraud activity which includes proactive and reactive work.	G	<p>An annual Preventing and Detecting Fraud and Error report is produced in October each year to report the activity in the previous 12 months.</p> <p>A report on the counter fraud plan and Fighting Fraud Self-Assessment will be produced annually, which will give an update on the completed activities of the previous plan. Whilst progress updates are available in year, gaps in completed activities need to be transparent so as to inform future plans.</p>	Action completed by this report	Complete

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
Is the fraud team independent of the process and does it produce reports to relevant committees that are scrutinised by members?	G	This report, and the annual Preventing and Detecting Fraud and Error report, discharge this responsibility. Showing the counter fraud proactive activity separately within the Internal Audit Plan, improves transparency and clarity for members and allows members to scrutinise gaps in the counter fraud activity and assess the level of resources being assigned to the activity.	Action completed by this report	Complete
The Audit Committee should receive a report from the fraud lead on how resource is being allocated, whether it covers all areas of fraud risk and where those fraud risks are measured.	G	Completion of this report and the information within it aids the Audit Committee in discharging its responsibilities and to aid transparency and accountability for counter fraud work.	Action completed by this report	Complete
The Audit Committee should be aware that the relevant portfolio holder is up to date and understands the activity being undertaken to counter fraud.	-	Not applicable. Doncaster has chosen to discharge portfolio holder responsibility through the Audit Committee. It is not proposed to change this.		
The Audit Committee should support counter fraud activity.	G	The Counter Fraud Plan is being presented to Audit Committee and their approval is being sought through this report.		
The Audit Committee should challenge activity, be aware of what counter fraud activity can comprise and link with the various national reviews of public audit and accountability.	G	By reviewing the Council's Counter Fraud Plan, Anti-Fraud, Bribery and Corruption Framework and challenging actual results through the annual Preventing and Detecting Fraud and Error report the Audit Committee provides challenge to counter fraud activity. Where new guidance is available assessments, like this assessment against the Fighting Fraud and Corruption Locally strategy, will be provided to the Audit Committee.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<p>The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior board and its members.</p>	G	<p>A fraud risk register exists for the Council and has done for several years. Risk assessments are updated at least annually and whenever horizon scanning reveals changes in risks (whether this is a result of new fraud opportunities like those presented through Covid grants, or as a result of new kinds of fraud detected either locally or nationally).</p>		
<p>The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. The assessment includes the understanding of harm that fraud may do in the community.</p>	G	<p>These risk assessments accompany the Counter Fraud Plan, which itself forms the basis of audits and proactive investigative work.</p> <p>The assessment of fraud risks, uses the Council's Risk Management Policy. Fraud risks are rated based on their financial impact, regulatory impact, reputational impact and in terms of social or financial harm to individuals or communities.</p> <p>Actions resulting from any counter fraud work undertaken are tracked as part of the normal Internal Audit action tracking system.</p>		
<p>There is an annual report to the Audit Committee or equivalent detailed assessment, to compare against the FFCL 2020 and this checklist.</p>	G	<p>The FFCL assessment will be included in the Counter Fraud Plan report to Audit Committee going forwards (as it has been this time).</p>	<p>Action completed by this report</p>	<p>Complete</p>
<p>The relevant portfolio holder has been briefed on the fraud risks and mitigation.</p>	G	<p>Portfolio holder requirements are being discharged by the Audit Committee for Doncaster Council and this report discharges this responsibility</p>	<p>Action completed by this report</p>	<p>Completed</p>

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<p>The Audit Committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risks and resources.</p>	G	<p>The Audit Committee has always supported counter fraud work as part of the Internal Audit Plan and has previously challenged audit resources overall, again as part of the overall Internal Audit Plan. However, counter fraud activity was unclear, as was the level of resource being invested in counter fraud activity (and transparency in its completion). The production of this report, and subsequent reports in future years, allow the Audit Committee to challenge activity and resources and to compare the level of invested resources to other similar local authorities.</p>	<p>Action completed by this report</p>	<p>Completed</p>
<p>There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated through the local authority and acknowledged by those charged with governance.</p>	G	<p>An Anti-Fraud, Bribery and Corruption Framework is in place and is regularly refreshed and brought to the Audit Committee for approval. An updated version accompanies this report. This framework is subject to review on a 5 year cycle, except where new guidance is released that needs to be taken into account or there are significant changes to processes or responsibilities.</p>		
<p>The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.</p>	G	<p>The design of controls in the business environment is the responsibility of service management. Audits on anti-fraud controls are undertaken (as is detective work) as part of the Counter Fraud Plan. General audits of controls are undertaken as part of the Internal Audit Plan and where necessary, recommendations for improvement are made. Progress against these is tracked and reported to the Audit Committee.</p> <p>It should be noted that this assessment cannot rate the status of each control and there will be controls out there that require improvement. This assessment is about the overall assessment, which in the main, would be green.</p>		
<p>The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.</p>	G	<p>The Risk Management framework at Doncaster Council includes assessments of financial risk, reputational risk and legislative risk, as well as community harm. These are sufficient to cover the effects of fraud risks.</p>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
Counter fraud staff are consulted to fraud proof new policies, strategies and initiatives across departments and this is reported to Audit Committee.	G	This is normal practice. This may be done by audit general staff where there are no specific fraud risks and the policy is general, and where the risk is higher, this is done by counter fraud trained staff.		
Successful cases of proven fraud / corruption are routinely publicised to raise awareness.	G	<p>A decision is made after every case as to whether it is in the public interest to prosecute a case (this is done wherever it is appropriate). Where there are successful prosecutions, press statements will be released. Where internal action is taken or where the case is not deemed to be in the public interest to prosecute (in line with the Anti-Fraud Bribery and Corruption Framework), these are published in the annual Preventing and Detecting Fraud and Error reports.</p> <p>A new section has been included in the Anti-Fraud Bribery and Corruption Framework that accompanies this report for approval, which clarifies these decisions and the public interest test to be applied.</p>		
The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	G	Preventative internal controls in services are the responsibility of service management to design and implement. Advice is available from audit / counter fraud staff where needed. As the fraud landscape is constantly changing, preventive and detective controls will also keep changing. Keeping up with fraudsters is difficult and is a constant game of cat and mouse. Counter fraud audits, advice and data matching to detect fraud and error is our current strategy. Ensuring that data matching work is completed and where successful embedded into business as usual activities, is key to the improvement of detective controls.	Ensure the delivery of the counter fraud plan	Ongoing

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<p>The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:</p> <ul style="list-style-type: none"> • Codes of conduct including behaviour for counter fraud, anti-bribery and corruption • register of interests • register of gifts and hospitality. 	G	<p>All of these items are in place and are regularly reviewed and subject to audit on a regular basis.</p>		
<p>The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the recommended checks in FFCL 2020 to prevent potentially dishonest employees from being appointed.</p>	G	<p>Recruitment policies and procedures are in place and compliance with them is checked by the Joint Payroll service commissioned with Rotherham. References are requested for all posts and are followed up. DBS checks are undertaken where there is an identified need.</p>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<p>Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.</p>	A	<p>Annual declaration of interest processes are in place and are adhered to. Interest registers are automatic for staff and automatically remind individuals to complete them and escalate non-compliance. An audit of member's declarations is scheduled on the 2021/22 Counter Fraud Plan.</p> <p>It is the responsibility of the employing manager to monitor and manage conflicts of interest with advice available from Internal Audit where appropriate. Registers are used when investigations take place or during audit reviews. Data matching checks between Payroll and Creditors (part of the Counter Fraud Plan) check and identify undeclared conflicts of interest internally and action is taken against these to improve controls or mitigate risks. Action from this is reported to committee, but there is no routine reporting of compliance with the declarations programmes.</p>	<p>Compliance with declaration programmes will be included in the annual Preventing and Detecting Fraud and Error report.</p>	<p>31st October, 2021</p>
<p>There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.</p>	G	<p>A Counter Fraud Plan exists and is reported to and its completion monitored, by Audit Committee. It includes all elements as prescribed under the Fighting Fraud and Corruption Locally Strategy 2020.</p>		
<p>There is an independent and up to date whistleblowing policy which is monitored for take up and can show that suspicions have been acted upon without internal pressure</p>	G	<p>A Whistleblowing policy is in place and is communicated to all staff. It was last approved in October 2020. There is annual reporting against it to the Audit Committee.</p>		
<p>Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.</p>	G	<p>Whistleblowing and fraud are covered in tendering documents and contracts as appropriate.</p>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<p>Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.</p>	<p style="text-align: center; font-size: 2em;">A</p>	<p>See previous comments on the level of resources.</p>	<p>Maintain investment in counter fraud work and not just reactive work. Complete the Counter Fraud Plan</p>	<p>Ongoing</p>
<p>There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.</p>	<p style="text-align: center; font-size: 2em;">G</p>	<p>The Counter Fraud Plan has been separated to increase accountability and transparency. Showing it as a separate plan, allows the plan to be mapped clearly to risks and the Fighting Fraud and Corruption Locally Stagey so that those charged with governance can clearly see the value of the work and understand the risks should it not go ahead.</p> <p>The plan includes some counter fraud activities at St Leger Homes on Right To Buy Fraud and Tenancy Fraud, although these activities are funded from the St Leger Homes Audit Plan. These risks remain the responsibility of Doncaster Council, despite the management of these risks by St Leger Homes.</p>	<p>Action completed by this report</p>	<p>Completed</p>
<p>Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.</p>	<p style="text-align: center; font-size: 2em;">G</p>	<p>Statistics and outcomes are reported annually in the Preventing and Detecting Fraud and Error report sent to Audit Committee.</p>		
<p>Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.</p>	<p style="text-align: center; font-size: 2em;">G</p>	<p>As stated previously, this is covered by the Internal Audit Charter and those working on counter fraud activities have access to all areas and documents that they need to do their jobs.</p>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communications team.	G	See <i>Successful cases of proven fraud / corruption are routinely publicised to raise awareness.</i>		
All allegations of fraud and corruption are risk assessed.	G	All allegations received are risk assessed. This is not a formal document risk assessment, like those used in Trading Standards or enforcement activities. Background assessments to attempt to verify or contradict the allegations are completed before any formal investigation starts. All investigations are done on a risk basis.		
The fraud and corruption response plan covers all areas of counter fraud work (prevention, detection, investigation, sanctions and redress).	G	All areas are addressed in the Counter Fraud Plan and have been labelled as Prevent, Detect, Pursue (which includes investigation, sanctions and redress). This terminology has been used as it is commensurate with the Fighting Fraud Locally Strategy.		
The fraud response plan is linked to the audit plan and is communicated to senior management and members.	G	The Counter Fraud Plan is now an integral part of the internal audit plan and is informed by work that is undertaken on the audit plan. Both plans are being presented in April to Audit Committee to enable transparency and comparison of the resource levels on both plans. Where counter fraud work or responsive fraud investigation identifies issues, normal audit jobs are included to ensure that the issues are isolated and are not endemic. For example, issues uncovered at a school after investigation, have been reflected in the audit plan so as to determine whether the control failures are isolated or whether there are weakening controls across schools that represent increasing levels of risk.		
Asset recovery and civil recovery are considered in all cases	G	Sanctions and redress are considered in all cases and are pursued where it is possible and in the public interest to do so. This is covered in the Anti-Fraud Bribery and corruption framework.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
There is a zero tolerance approach to fraud and corruption that is defined and monitored and which is always reported to the committee.	G	The term "zero tolerance" is an out dated term that, while intended to reflect that council's will do everything reasonable to prevent, detect and investigate fraud and corruption, is neither realistic nor proportionate. This authority, like most, uses a risk based approach to ensuring that resources are targeted against the highest risks and that the investigation of issues is proportionate and cost effective. Fraud and counter fraud resources are finite. All cases are investigated proportionately and on a risk basis.		
There is a programme of proactive counter fraud work which covers risks identified in the assessment.	G	The Counter Fraud Plan is prepared from the fraud risk assessment and has been mapped to fraud risks so that our work is accountable and transparent. Whilst previous Audit Plans did include counter fraud elements linkage was not clear and it was not clear whether all risks were being properly considered or reflected.	Action completed by this report	Completed
The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity	G	Joint working is promoted wherever possible. The Internal Audit Manager who has responsibility for both the Counter Fraud and St Leger Homes plans (and therefore covers fraud at both locations with support from other staff), actively works with other fraud teams across Yorkshire and Humberside on fraud collaborations and sharing best practice. Where possible and cross border issues have arisen, the team works with other agencies on cases.		
The authority shares data across its own departments and between other enforcement agencies.	G	Data and intelligence is shared wherever appropriate and permissible under the Data Protection Act.		
Prevention measures and projects are undertaken using data analytics where possible.	A	Data analytics work has been undertaken for approximately 5 years at Doncaster Council, however, many planned pieces of work have not been able to be progressed due to the prioritisation of other work. This programme of preventative and detective work sets out a plan for its delivery going forwards.	Ensure the delivery of the counter fraud plan	Ongoing

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools.	G	This resource is accessed and used where appropriate. It is used to share good practice and tools.		
The counter fraud team has access to the Fighting Fraud and Corruption Locally regional network	G	The Internal Audit Manager, who is responsible for the Counter Fraud Plan and St Leger Homes Plan is part of working groups on the development of investigative powers for social care frauds and develop agreed frameworks for costing and applying values to detected fraud issues. The team works with other local authorities across the Yorkshire and Humberside region on a regular basis.		
There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work, they too must be trained in this area.	G	There are 2 accredited investigators working on the Council Fraud Plan. A trained Data Analyst is available to assist with data analytics work. A Principal Auditor also works on the Counter Fraud Plan, who is receiving on the job counter fraud training. All work on counter fraud or responsive fraud investigation, is supervised by a trained individual. The Head of Internal Audit is also trained and could assist if needed.		
The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	G	All of the staff working on these areas are experienced and have worked with the authority for a minimum of 5 years. They are familiar with their respective areas. The Internal Audit Manager that oversees this work, has 16 years' experience of auditing and fraud investigation across the council. Where a member of staff working on an area is unfamiliar with it, or needs assistance, further supervision is administered as required to ensure that the work is accurate and of a good standard. Should the need arise, the Head of Internal Audit also has substantial experience in this area.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<p>The counter fraud team has access (through partnership / other local authorities / or funds to buy in) to specialist staff for surveillance, computer forensics, asset recovery and financial investigations.</p>	G	<p>Access to specialist services is available where the need arises. Resources would likely be externally sourced through contacts within the National Anti-Fraud Network.</p>		
<p>Weaknesses revealed by instances of prove fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.</p>	G	<p>This is standard audit practice and is prescribed by the UK Public Sector Internal Audit Standards. Where appropriate, the Counter Fraud Plan reflects this activity.</p>		

11. Appendix 3 – Fraud Risk Register

Fraud Risk	Current Risk and Direction of Travel	Explanations
Benefits Fraud	Medium / High	New Housing Benefits claims are only available to those of state pension age or those in temporary accommodation. It is not possible to prevent benefits fraud and whilst the control environment is good and real time data matching initiatives detect fraud, it remains a common fraud with a high impact.
Blue Badge Fraud	Medium 	Blue badge fraud has decreased significantly in likelihood due to the Covid-19 pandemic and the impact of social distancing and shop closures. This has set the risk on a temporary downward trend. The impact financially remains low, but reputational impact and the emotive nature of this risk means that it remains a medium risk.
Bribery	Medium	Bribery risks, where someone is bribed to deliberately do something that they know is wrong, carry a prison sentence and there are implications for the Council itself should it fail to take adequate steps to prevent bribery (these can include fines or jail sentences for senior officers). The overall likelihood of issues in this area are low and declarations of interest are in place to minimise this risk, however, work is still required in order to maintain anti-bribery adequate procedures.
COVID Business Grants	Medium 	COVID Business rates grants have provided grants to businesses of up to £25k for each claim period (as defined by the Government). Whilst there are checks in place and there are verification measures in place to check payments / claims, the nature of business registration means that it is impossible to stop this type of fraud completely. This risk continues to increase with new editions of these grants and with restart grants in the pipeline.
Cyber Fraud	Medium 	<p>Cyber fraud is any cyber enabled crime, but in this case is used to refer to the extortion of funds from Doncaster Council via malware or Trojans, denial of service attacks (where council systems are repeatedly bombarded with traffic to crash them or stall them), phishing, and criminal access to internal systems by 3rd parties or electronic data theft or harvesting.</p> <p>Remote working globally has increased the reach of hackers and cyber criminals with increased targeting of individuals as a result of this global trend. Individuals remain the biggest weakness in arrangements to combat these types of attacks / crimes with ever more elaborate ways to phish for data and access.</p>
Direct Debit Recall Fraud	Low 	Direct Debit Recall Fraud is a relatively rare type of fraud, in which fraudsters buy or obtain access to an account and use the Direct Debit guarantee to challenge and recover monies paid by Direct Debit. This type of fraud is more common in the greater London area and for authorities that use signatureless direct debit set up methods. There have been few instances seen of this in northern England.
Education Fraud	Medium	School admissions fraud (falsely claiming to live in a school's catchment area) and fraudulent claims from nurseries for education placements are a well know kind of long standing fraud. School admissions fraud has mainly a reputational impact. Whilst it has an impact on schools, its emotive nature means reputational risks are higher than the financial impact.

Fraud Risk	Current Risk and Direction of Travel	Explanations
		Nursery placement provisions are subject to audit by an internal independent team (not by Internal Audit) and are mainly financial in nature. Risk levels here, are relatively stable.
Election Fraud	Low 	The illegal interference with general or local elections is a crime. Whilst it has a very high impact, it is very unlikely with controls over voter registration, vote casting and at all stages in the process. This risk is currently assessed as stable.
Financial abuse of vulnerable individuals	Medium 	The financial abuse of vulnerable individuals is a risk for all councils. Long term care arrangements and guardianship orders, where the individual is reliant on any individual, may be exploited by individuals for their own purposes. The Council manages care for some vulnerable residents and for a small number of clients administers their financial affairs. Whilst it is unlikely that any Council employee working in these areas would exploit their clients, it remains a risk to be managed and monitored through appropriate internal controls and reporting. This risk is considered a static / stable risk and has significantly reduced since the majority of care establishments were transferred to the private sector.
Financial Fraud / Theft	Medium 	Financially fraud / thefts essentially relate to the risks associated with cash and the processing of cash and cash equivalents. Whilst the cash handling activities are now minimised across the Council (with electronic payment methods the preferred option). Schools remain the biggest risk in this respect currently (with most other establishments such as the museums, cafes and tourist information centre, closed or on limited capacity due to Covid restrictions). As outlined in the horizon scanning section, risks in this area are increasing with increased workloads and decreased office staff available in schools to handle and safeguard such monies.
Grant Fraud (excluding business rates)	Medium 	The Council administers many grants, some temporary and as a result of Covid, and others more business as usual. Most of the grants is administers are low value, although some grants have higher reputational impact than others. Most grants fall into the low risk category, but there are some, particularly Covid based grants (none business rates related) are higher risk, leading to the current rating.
Housing Fraud	Medium High 	Housing fraud includes tenancy fraud and subletting and Right to Buy fraud. Tenancy fraud, especially subletting, is rare in Doncaster (the higher the difference between social and private rent values the higher the risk, which is why this is more common in city areas). Right to Buy fraud however, with heightened levels of discounts and changes to the control environment remains higher risk with risk levels increasing. Right to Buy application rates reduced during the last year due to the pandemic, but are rising again leading to increases in workload.
HR and Payroll Fraud	Medium 	HR Payroll frauds are essentially time, pay or expenses frauds. They are by far the most common of all frauds and are faced by any business. They are almost impossible to properly prevent with the cost of control usually outweighing the cost of the fraud. Risks in terms of time frauds and pay frauds (such as false overtime claims) have increased over the past year to the advent of significant amounts of remote working. Expenses fraud risks have significantly decreased with significantly less claims for mileage and expenses as a direct consequence of the Covid-19 pandemic.

Fraud Risk	Current Risk and Direction of Travel	Explanations
Impersonation Frauds	Medium 	Impersonation frauds, in terms of this risk assessment, are where Council ID or purports to be from the Council and uses that to gain the trust of vulnerable persons or access to properties. It is not a fraud against the Council but would affect the reputation of the Council and trust in it. It is rated as medium due to its reputational impact although it is unlikely. This risk is static with care being taken over the recovery of IDs and the use of uniforms.
Insurance Fraud	Medium 	Insurance fraud is essentially where someone attempts to make fraudulent, inflated or fictitious claims against the Council and their insurance. These have a financial impact on the Council and are a common fraud kind worldwide. The Insurance Team handles the claims and this is overseen by the Council's Insurer. This kind of fraud is currently judged to be stable, although as more traffic and activity returns to the roads, this risk may increase.
Licensing Fraud	Medium 	Licensing fraud is essentially where business or individuals who require licenses to trade, trade illegally without a license or deal in counterfeit or illegal goods. This is a fraud that is typically looked at by Food Standards and Trading Standards. This kind of fraud is looked at by the National Fraud Initiative, although the majority of the work is done in Trading Standards. This fraud is judged based on the harm that it can do to the economy and to the citizens of Doncaster. It is currently judged to be stable, although all risk assessments are subjective.
Money Laundering	Medium 	<p>Normally Money Laundering Risks for the Council are rated as low as there are limited opportunities for laundering money using the Council. However, this risk assessment also encompasses St Leger Homes who do have a medium level money laundering risk due to their involvement in Right to Buy sales which can involve partial cash payments.</p> <p>Money laundering is where cash from criminal activities or criminal gangs are cleaned by using them to purchase legitimate assets such as property or make it look like they have come from a legitimate source, e.g., the Council.</p> <p>Right to Buy applications are increasing again after the slowdown caused by the Covid-19 pandemic, however, they are anticipated to stabilise at pre-covid levels.</p>
No recourse to Public Funds	Medium 	<p>No recourse to public funds frauds are an unusual fraud and are more prevalent in the South of England. Where someone is an immigrant, legal or otherwise and has no leave to remain or access to government support, they have "no recourse to public funds". This fraud occurs where, due to circumstances, someone with no entitlement to help receives it. Council exposure for these frauds is low, but homelessness accommodation as managed by St Leger Homes is exposed to these kinds of risk as the need to house and safeguard individuals (particularly during the Covid-19 pandemic) outweighs the resources needed to undertake the checks. These frauds cost the public purse directly and the likelihood of any recovery of monies is very low as the individual does not access to any form of legitimate funds with which to pay.</p> <p>These frauds are currently, at the time of this report, judged as stable. It was however, higher during lockdown phases of the pandemic.</p>
Planning Fraud	Low 	Planning Fraud is essentially a bribery risk, however, being unique to local authorities and emotive to those involved, it has been listed independently on the Council's risk register.

Fraud Risk	Current Risk and Direction of Travel	Explanations
		<p>Planning decisions are subject to scrutiny and challenge by independent committees and with an appeals process in place for those unhappy with their decisions. This kind of fraud is rare and is judged as stable.</p>
Procurement Fraud	Medium 	<p>Procurement fraud comprises numerous sub types. Inflated or fictitious invoices, fake suppliers set up to extort payments, price fixing amongst suppliers etc.</p> <p>Procurement fraud is one of the hardest types of fraud to detect, especially price fixing. It is currently judged as medium risk but increasing. Fraudsters are using the confusion caused by many individuals and businesses moving to digital methods due to Covid, or are targeting busy establishments like schools in an attempt to push through fraudulent invoices. Nationally, the National Anti-Fraud Network has seen increases in the amount of fraudulent attempts in this respect, especially in terms of schools.</p>
Recruitment Fraud	Low 	<p>Recruitment fraud is essentially where prospective employees lie about qualifications, experience or their history or previous salaries in order to gain employment. Once a fraudulent person is brought into the Council, it is much more likely that they will commit further frauds. Recruitment checks are undertaken by managers and compliance checking on the recruitment checks is undertaken by the Shared HR Payroll Service.</p> <p>This kind of fraud is currently judged to be stable.</p>
Social Care Fraud	Medium High 	<p>Social care fraud happens where an individual lies about their income or expenditure on a care assessment to deliberately attempt to minimise or avoid having to continue to their own care bills, leaving the cost to be paid by the Council or fail to meet their share of agreed social care costs. Social care fraud can also happen where monies given to an individual in the form of a personal budget or direct payment are misused for illegitimate purposes. This fraud can be committed by the individual themselves or by their family where they are also abusing their vulnerable relative.</p> <p>Currently the Council has limited powers to investigate this kind of fraud, but additional powers are being sought through national working groups.</p> <p>This kind of fraud is nationally on the increase as budgets are tightened and care users are offered more choice and control over their care.</p>
Stock Fraud / Theft	Medium 	<p>Stock fraud is essentially fraud or theft involving goods and stocks. They are usually quite simple frauds with goods been used for person benefit or being sold on. These frauds can be committed internally or externally via break-ins and cover everything from repair items for council houses to vehicles and PPE equipment.</p> <p>This kind of fraud is a long standing and traditional fraud and is considered to be a stable risk.</p>
Tax Frauds	Medium High 	<p>This kind of fraud covers a multitude of different taxes. The Council collects taxes in the form of PAYE from payroll, VAT from sales, Council Tax from citizens and Business Rates from businesses.</p> <p>In terms of PAYE and VAT the Council has a low risk exposure but Council Tax Fraud and Business Rates exemptions, reliefs and grants frauds are rated much higher. Whilst Council Tax frauds (the claiming of single persons and other discounts) are relatively small in value, collectively they form a significant fraud risk. Higher still are the costs of business rates frauds, which due to the nature of the business rates system are difficult to</p>

Fraud Risk	Current Risk and Direction of Travel	Explanations
		spot and stop with phoenix companies being set up to avoid rates or wipe out arrears a national issue. Risk rates are considered stable however. Covid grant risks in terms of Business Rates have been given their own risk.

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Anti-Fraud Bribery and Corruption Fact Sheet

This factsheet is aimed at Doncaster Council Members and officers

Doncaster Council is committed to the highest possible standards of openness, probity and accountability. We expect that 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.

What is fraud, theft, bribery or corruption?

Each has a different definition. All are defined in law. Below are simple definitions of these criminal acts.

Fraud – An act of deliberate deception made with the intent to gain a benefit from that deception or cause a loss to someone else. This can include; deception by making a false statement, representation or claim; by deliberately withholding information or by abusing a position of trust for the individuals own personal benefit.

Theft - The taking of property that belongs to someone else, dishonestly and without permission with the intent to deprive them of it. Such as the taking of cash, stocks or assets like vehicles or equipment.

Corruption or Bribery – The offering or acceptance of any form of incentive, money or other benefit, by an employee to do something that they know that they shouldn't such as award a contract to the bribing party or provide confidential or sensitive information to another party.

All of these acts involve 2 key elements; dishonesty and personal benefit or gain. Personal gains don't need to involve money. A personal benefit or gain can goods or services received or even escaping a penalty or fine in return for an advantage provided.

Why is stopping these important?

Sometimes, people see fraud (or any of the other acts), against public authorities as a victimless crime; that it hurts no one. This is untrue. Public funds come from tax payers in a variety of forms. All public monies ultimately come from the general public. Any losses from public monies by these acts push up taxes and cost the general public indirectly. Where fraud is committed against the Council, every tax payer eventually bears the cost and this reduces the spending power of the Council and leaves less resources available to fund vital services to the people of Doncaster.

What is 'The Anti-Fraud and Corruption Framework'?

The Anti-Fraud, Bribery and Corruption Framework is part of the Council's Governance Framework and outlines:-

- the Council's stance on fraud.
- that the Council seeks to maintain an anti-fraud culture within the Council and its partners.
- that it expects its elected members, employees and those acting on its behalf to behave ethically and in line with the Council's codes of conduct.
- how the Council will tackle fraud, theft bribery and corruption.
- what responsibilities are placed on employees, managers and key persons in the Council.
- what it will do if it finds or receives allegations about fraudulent or corrupt activities.
- that it will take criminal or civil action against those committing fraud.
- that it will try to recover any losses resulting from fraud.

The Framework is closely linked to the Whistleblowing Policy. The Council encourages everyone with concerns about fraud and corruption being committed, either against the Council or from within, to report their concerns in line with the Whistleblowing Policy or to Internal Audit via the Fraud Hotline on 01302 862931. Full contact details are included within the WhistleBlowing factsheet. This can be found on the Council's website at www.doncaster.gov.uk.

What are your responsibilities if you are a Member or an employee of the Council?

As a Member or an employee, you have a responsibility to:-

- report any concerns or anything you witness that you think could be fraud or corruption;
- act in accordance with the rules and procedures adopted by the Council, especially when spending the Council's money and using its assets;
- behave honestly and in line with your Code of Conduct in all your work and dealings;
- declare any interest you have that could conflict with the Council's interest so that any steps needed can be taken to protect both you and the Council;
- declare any gifts or hospitality you are offered.

What will happen if I report concerns about fraud, theft, bribery and corruption?

All concerns of fraud, theft, bribery or corruption received are taken very seriously. We will investigate concerns and will not tolerate instances of fraud. Wherever it is in the public's best interest, we will take action criminal or civil against anyone committing fraud against the Council in line with the Council's Sanctions / Prosecution Policy. We will seek to recover any losses from public funds, wherever possible, so as to limit the cost of such activities to the general public.

We will try, in line with the requirements of the Whistleblowing Policy, to keep you informed about the progress of any investigation (if you have left us contact information when you raised your concerns). However, in some instances it may be that only limited information can be released. Each case will be different and a decision will be made in each case as to what can be released without risking the investigation or any potential prosecution or sanction being applied.

What to do if you suspect fraud or corruption

If you suspect that someone is committing an act of fraud or corruption against the Council, it is important that you raise your concerns as soon as you can. Referrals can be made in line with the Whistleblowing Policy or by contacting Internal Audit Services on the Fraud Hotline on 01302 862391.

Please don't try to investigate something yourself. This can damage evidence and could hamper an investigation or prevent us from being able to prosecute anything we find is happening.

Please don't confront anyone. This could put your safety at risk and could alert them to a possible investigation. Evidence may be destroyed if this happens.

If your concerns relate to an immediate threat to life or terrorism, you should call the Police by telephone on 999.

Please don't wait or think your concerns are trivial. Often, when fraud is uncovered, the first thing people say is that they knew something was wrong. Delays can cause further losses.

Further information

Further information on the Anti-Fraud and Corruption Framework can be found in the full framework document. Further information on Whistleblowing can be found in either the Whistleblowing Fact sheet or the full Whistleblowing Policy.

All of these documents are available on the Council's website at www.doncaster.gov.uk.

DONCASTER COUNCIL ANTI-FRAUD, BRIBERY AND CORRUPTION FRAMEWORK

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ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

1. Introduction

- 1.1. Fraud and corruption is a constant threat to public services. The Annual Fraud Indicator 2017 produced by Crowe Clark Whitehill estimates fraud losses for local government to be £7.8 billion per annum. The Government's Economic Crime Plan states that the numbers of fraud offences rose by 12% during 2018 to 3.6 million – constituting a third of all crimes in the UK. There are no more recent indicators available however these values for losses can only increase.
- 1.2. Fraudsters are constantly revising and sharpening their techniques and local authorities need to do the same which is particularly challenging due to the heightened risk of fraud and economic crime during changing threat landscapes as a result of the COVID-19 global pandemic. Criminals have taken advantage of this to target the public sector, particularly in relation to grant funding and support. Similarly charities and educational establishments are often targeted by fraudsters as they are seen as 'soft touch' and can be easily deceived which increases the fraud risks for these areas.
- 1.3. Fraud is sometimes seen as a victimless crime, but this is never the case. Fraud against local authorities pushes up costs, prices and reduces the amount of spending power available to councils to commission / provide services for citizens. Fraud, harms all members of the public and undermines the Council's overall aim to ensure that Doncaster and its people thrive. The Council takes its responsibilities to protect the public purse very seriously and is committed to the highest standards of openness and accountability in order to ensure the proper use and protection of public funds and assets. Doncaster Council will not, therefore, tolerate fraud, bribery or corruption in any area of Council activity and will take all necessary steps to prevent fraud (where possible), investigate fraud where it is detected or reported and pursue appropriate sanctions against those involved in fraudulent or corrupt activities.
- 1.4. Our approach to this is based on the Local Government Fraud Strategy: Fighting Fraud and Corruption Locally and is based on 5 key themes.



1.5. There is an assessment of compliance with Fighting Fraud and Corruption Locally at the end of this report. An appropriate action plan will be drafted highlighting any areas for improvement. This, and associated progress, will be reported to the Audit Committee.

2. Our aims

2.1. This Anti-Fraud, Bribery and Corruption Policy and accompanying documents, intend to set out the Council's stance on fraud, corruption or other dishonest acts and reinforce an open and honest culture. 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.

2.2. The Council expects the same level of honesty from its partners, agents, contractors, suppliers and the public in all of its interactions.

2.3. This framework contains: -

- **The Policy Statement** identifies the Council's overall stance relating to fraud and its expectations and defines fraud and corruption.
- **The Strategy** describes the Council's approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the Council to minimise risk and any losses it experiences through fraud, bribery

and/or corruption and to embed the management of fraud risk within the culture of the organisation.

- **The Fraud Response Plan** outlines the Council's approach to dealing with detected and reported instances of fraud and corruption and how this fits in with other Council policies and procedures.
- **The Prosecution Policy** outlines the Council's commitment to seek remedy and take action / prosecute those responsible for fraudulent or corrupt acts.

2.4. Specifically, this framework and its elements aim to:-

- promote a culture of honesty; an anti-fraud culture.
- define and explain the roles of key parties to this framework.
- promote the prevention of fraud and corruption.
- aid the detection of fraud and corruption.
- ensure the effective investigation in all cases where suspected fraud or corruption has occurred.
- explain what we will do if we identify any cases of fraud and corruption and what action we will take.

2.5. This framework specifically applies to :-

- councillors
- employees
- agency staff
- contractors
- consultants
- suppliers
- service users
- members of organisations funded by Doncaster Council
- employees of principal partner organisations

3. What are Fraud, Theft, Bribery and Money Laundering?

Fraud

3.1. The Fraud Act 2006 came into force on 15th January, 2007. The Act created a single offence of fraud and defined this in three classes:

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

3.2. Each of the above (3.1) has a slightly different fraud definition. The 3 main definitions are given below as defined by the Fraud Act 2006.

Fraud by False Representation

'A person is guilty of fraud by false representation if they dishonestly make a false representation and intend by making the representation, to make a gain for himself or another, or to cause loss to another, or to expose another to the risk of a loss'

Fraud by Failing to Disclose Information

'A person is guilty of fraud by failing to disclose information if he dishonestly fails to disclose to another person information which he is under a legal duty to disclose and intends by failing to disclose the information to make a gain for himself or another or to cause loss to another or expose another to a risk of loss'

Fraud by Abuse of Position

'A person is guilty of fraud by abuse of position if he occupies a position in which he is expected to safeguard, or not act against, the financial interest of another person, dishonestly abuses that position and intends by doing so to make a gain for himself or another, or to cause loss to another, or to expose another to a risk of a loss'

3.3. Put simply, fraud offences are a dishonest act where an individual deliberately does something dishonest or abuses their position with the intent of gaining a benefit / advantage for themselves or to cause someone else a disadvantage. Benefits can be cash, the avoidance of a fine or penalty or the receipt of goods and services.

3.4. Some examples of fraud include:

- The dishonest completion of claim forms such as benefit or grant claims in order to secure a grant or benefits to which someone is not entitled.
- Dishonest completion of expense or mileage claim forms.
- 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.

Theft

- 3.5. Fraud is different to theft, which is defined in the 1968 Theft Act as:
'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.
- 3.6. Put simply, theft offences are again a dishonesty offence where an individual deliberately and dishonestly takes something (this can be something physical such as cash or an item or an intellectual property item such as an idea or design), that is not theirs to take and uses it for their own purposes without permission.
- 3.7. Examples of theft include the stealing of assets / goods / stocks, misuse grants and public funds for purposes other than they were made available or theft of cash or equipment.

Bribery

- 3.8. Bribery is defined in the Bribery Act 2010. Broadly, the Act defines bribery as *"giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith"*.
- 3.9. Put simply, bribery is the offering or acceptance of an incentive in order to do something that you know that you shouldn't or not do something that you know you should. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.
- 3.10. The act created 4 main bribery offences
 - Bribing another person
 - Requesting or accepting a bribe
 - Bribing a foreign official
 - Failure of a commercial organisation to prevent bribery
- 3.11. Whilst the Council is not normally considered to be a "commercial organisation", the term is used to describe any organisation in the UK that engages in commercial activities regardless of whether it pursues charitable, education aims or purely public functions. For the purposes of applying the Bribery Act 2010, the Council is treated as a commercial organisation and, therefore, needs to take appropriate steps, including the provision of appropriate procedures, to prevent bribery taking place.

- 3.12. Examples of bribery would include: 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. This could be offering tickets to a football match to gain advantage or information on the awarding of a contract but there are many other possibilities.
- 3.13. Prior to the Fraud and Bribery Acts, the term 'corruption' was used to describe fraudulent acts and bribes. This term is now used collectively to refer to dishonest acts covered by the outlined acts.

Money Laundering

- 3.14. The process of money laundering involves the introduction of 'illegal' (or dirty) money that has been generated from criminal activity, into the mainstream economy and putting it through a cycle of transactions, through legitimate businesses, such as local authorities.
- 3.15. The "laundered" funds can then be used for legitimate transactions that do not arouse suspicion. Whilst most of the Council's activities are unlikely to be at risk from money laundering, staff need to be vigilant wherever cash transactions are involved. The largest risk the Council has in respect of money laundering is in regards to Right to Buy applications that are administered on the Council's behalf by St Leger Homes. Very often this process can act as a shield to the financing of serious organised crime and terrorist activity.
- 3.16. In value terms, money laundering is quoted as being the world's third largest industry with between £582 billion and £1.455 trillion laundered worldwide every year. In the UK the National Crime Agency estimates the total value from this crime as being over £100 billion per annum.
- 3.17. The public sector has an important role to play in preventing and identifying economic crime and terrorist activity, this is increasingly being recognised by other organisations combating money laundering.

4. Anti-Fraud, Bribery and Corruption Framework

- 4.1. The Council's Anti-Fraud, Bribery and Corruption Policy, Strategy Fraud Response Plan and Prosecution Policy form the Council's Anti-Fraud, Bribery and Corruption Framework. The Framework is a series of inter-related actions and procedures designed to prevent and detect fraud, bribery or corruption and to take robust action where it is suspected.

- 4.2. The Council is committed to the continuous development of the Framework to ensure that it remains up to date and valid in the light of the dynamic risk environment in which the Council operates.
- 4.3. The Policy, Strategy and Framework all form part of the Council's wider governance arrangements that are designed to ensure the Council conducts its business effectively and properly, including safeguarding its resources and effectively meeting its responsibility for the safe stewardship of Public money. More details on the Governance arrangements can be found on the Council's Intranet site for employees, or on the Council's website under Council Policies. A visual representation of the wider governance framework is available at Appendix 1.

5. Expectations

- 5.1. Doncaster Council expects all Members, employees and those acting as its agents to conduct themselves in accordance with the seven principles of public life. These are defined by the Committee for Standards on Public Life and were revised in January 2013, but, were first published by the Nolan Committee in 1995.
- 5.2. The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally or locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, non-departmental public bodies, in health, education and social and care services. All public office holders are both servants of the public and stewards of public resources. These principles also apply to those in other services delivering public services. These principles are as follows:
 - Selflessness -
Holders of public office should act solely in terms of the public interest
 - Integrity -
Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.
 - Objectivity -
Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination of bias.
 - Accountability -
Holders of public office are accountable to the public for their decisions

and actions and must submit themselves to the scrutiny necessary to ensure this.

- Openness –
Holder of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- Honesty –
Holders of public office should be truthful.
- Leadership -
Holders of public office should exhibit these principals in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

5.3. The Council requires Members and employees at all levels to lead by example in adhering to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures and practices.

5.4. The Council requires Directors and other senior managers to design and operate systems and procedures that will minimise losses due to fraud, bribery, and other dishonest action.

5.5. The Council expects Members and employees to be alert to the possibility of fraud, bribery and corruption in all their dealings and report suspicious activity via the Whistleblowing Procedures.

5.6. The Council will not tolerate fraud. Employees found to be defrauding the council face dismissal under the disciplinary process. Employees and any other parties defrauding the Council e.g. claimants or contractors will have their cases referred to the Police wherever this is in the public interest.

6. Related Policies and Procedures

6.1. Whilst the Anti-Fraud, Bribery and Corruption Framework forms part of the Council's wider governance arrangements, there are a number of policies and procedures that are particularly relevant. These policies are as follows:-

- The Whistleblowing Policy
- The Grievance Policy and Procedures
- The Code of Conduct - Employees
- The Code of Conduct for Members
- The Council's Complaints Procedure
- Disciplinary Policy and Procedures

7. Responsibility for this Document

- 7.1. The Chief Executive has overall responsibility for the maintenance and operation of this framework. The Chief Executive is supported in this by the Assistant Director of Finance, Assistant Director of Human Resources and Communications, Assistant Director of Legal and Democratic Services and the Head of Internal Audit.

8. Review

- 8.1. Fraud arrangements are continually reviewed. An annual review of this framework is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.
- 8.2. In assessing the effectiveness of its arrangements, the Council will consider the extent to which:
- key personnel are trained in detecting and investigating fraud,
 - fraud risks and new areas of fraud – fraud is an ever developing risk and arrangements need to continually evolve in order to maintain a robust response.
 - there are identified incidents of fraud and corruption.
 - action is taken against perpetrators and attempts to recover losses.
 - the Council responds to identified weaknesses in its systems and controls.
 - developments in technology affect the Council's ability prevent and to detect fraud.
 - data sharing and joint working initiatives are used to prevent and detect fraud.
- 8.3. An annual Preventing and Detecting Fraud and Error report is produced showing the outcomes of the Council's anti-fraud work and a counter fraud plan is included within the annual internal audit plan.
- 8.4. In order to keep abreast of key changes we undertake ongoing reviews of national issues and developments. Information from a range of sources is obtained and used in keeping our plans up to date, including from the HM Treasury, CIPFA Counter Fraud Centre, CIPFA Better Governance Forum, the National Fraud Authority and the National Anti-Fraud Network. We participate in the National Fraud Initiative (NFI) which is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. We also meet with other South and West Yorkshire local authorities to share information on fraud risks and best practice.

ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY

1. Introduction

- 1.1. The Strategy describes the Council’s approach to minimising the risk of fraud and dealing with any identified or suspected instances of fraud and corruption. The key objectives of the Strategy are to enable the Council to reduce the opportunity for fraud and to create a culture where fraud is unacceptable.
- 1.2. This strategy takes into account the local government strategy: Fighting Fraud and Corruption Locally and the previous guide 2014 CIPFA Code of Practice for Managing the Risk of Fraud and Corruption. An assessment of compliance with the Fighting Fraud and Corruption Locally has been completed. An action plan has been created and monitored to ensure any identified improvements are taken forward.
- 1.3. This strategy is based on the Local Government Fraud Strategy, “Fighting Fraud and Corruption Locally”.
- 1.4. Fraud investigation and counter fraud resources for the Council have reduced over the last few years, primarily because of the transfer of the responsibility (and associated resources) of the investigation of Housing Benefits Fraud to the Single Fraud Investigation Service within the Department of Work and Pensions.
- 1.5. A resource is still maintained within Internal Audit that undertakes fraud and counter fraud activities.

2. Key elements



3. Key elements - Govern

- 3.1. The anti-fraud and corruption framework is challenged/approved by the Audit Committee and senior management. It sets out the Council's commitment to maintaining an antifraud culture and it is supported by senior management. This framework is part of the wider governance framework which includes other elements such as the management of declarations of gifts and hospitality and conflict of interests, whistle blowing and the codes of conduct for members and officers. Collectively they set out how the Council governs itself in this respect and how it intends to manage issues or non-compliance.

4. Key elements - Acknowledge

- 4.1. The way in which the Council manages the risk of fraud, bribery and corruption is shown in diagram form in the Anti-Fraud, Bribery and Corruption Framework, which can be seen in Appendix 1. The Anti-Fraud, Bribery and Corruption Policy and Strategy are just part of the wider governance framework which includes other key policies such as the Code of Conduct, financial and contract procedure rules, whistleblowing policies etc.
- 4.2. Recognising that fraud exists is key to tackling fraud and corruption in any organisation. Fraud is an ever evolving problem. It can range from a simple theft, con or scam to complex fraud affecting financial statements involving many companies and transactions. Fraudulent acts now make more and more use of new technologies and technological changes are always at risk of being exploited by fraudsters.
- 4.3. The Council acknowledges its responsibility for combatting fraud and corruption from both within and external to the organisation. The responsibility for anti-fraud arrangements is widely dispersed. Members, in particular through the Cabinet and the Audit Committee, have to give clear support to the Council's arrangements. The Council's senior management team must provide strong leadership by advocating the Council's arrangements and supporting strong action when these are ignored. There is a strong correlation / relationship between good governance and good counter fraud operations.
- 4.4. The Chief Executive and Assistant Director of Finance are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Council's interests are safeguarded, including its reputation.
- 4.5. Fraud risk is managed through the existence, and application, of appropriate policies and procedures and through the introduction of relevant control systems. These systems are the overall responsibility of managers throughout the Council. Consideration of fraud risks must be an integral part of everyday business decisions, project and change management and overall strategy.

- 4.6. Council managers have overall responsibility for acknowledging, assessing and managing the individual fraud risks relevant to their service areas. Assistance with this is available from Internal Audit where requested.
- 4.7. The Council has a Fraud Risk Register in use that is currently maintained by Internal Audit. This is a very comprehensive list of fraud risks containing 24 different fraud risks covering things like employee fraud, grant fraud, procurement fraud and bribery and corruption risks. This register helps us to plan out counter fraud activity and is updated regularly.
- 4.8. New and emerging fraud risks are added to the register and risk assessed as they are uncovered locally and across the sector. Areas of risk are considered for inclusion, as appropriate, on the Internal Audit Plan and Internal Audit work with services to provide advice to further mitigate any existing fraud risks.
- 4.9. Internal audit will acknowledge and seek to include the review of fraud risks on any internal audit work carried out.
- 4.10. It is the responsibility of the Chief Executive in conjunction with the Assistant Director of Finance as the Council's statutory Section 151 Officer to determine, and provide for, an appropriate level of resources to counter the risk of fraud and corruption identified for the Council. In practice, this is informed by the level of detected fraud, identified fraud and corruption risks and assessments of counter fraud activities undertaken within Internal Audit Services.
- 4.11. Counter fraud resources for the Council are currently dispersed with counter fraud activities being provided by Internal Audit, Trading Standards, Parking Services and elements of other service delivery areas such as Adults Health and Wellbeing in the case of counter fraud activities in relation to direct payments. There are separate arrangements for benefit fraud investigations which are referred to the Single Fraud Investigation Service of the Department of Work and Pensions.
- 4.12. Counter fraud work and contingency requirements for responsive work are identified from the Fraud Risk Register and also in conjunction with Directors, Assistant Directors and other managers. Resources are allocated to the identified work on the Counter Fraud Plan, which is a separate plan to the general audit work, to ensure counter fraud work is completed and to ensure transparency over the coverage of the Fraud Risk Register.
- 4.13. Resources applied in Internal Audit are relevant to the risks involved. Three members of staff have the CIPFA Certificate in Investigative Practice (CCIP) qualification.
- 4.14. Resources for the separate counter fraud work in Internal Audit are shown on the counter fraud plan which maps activities to our Fraud Risk Register to identify gaps in coverage. This increases transparency and increases

accountability by making it clear which work has been undertaken and what risks remain as a result.

- 4.15. The Council is committed to working and cooperating with other organisations to prevent organised fraud, bribery and corruption. Wherever possible and legal the Council will assist and exchange information with other appropriate bodies to assist in investigations to combat fraud, bribery and corruption.
- 4.16. The Council will consider joint working with certain agencies including (but not limited to);
- Other local authorities
 - Benefits Agency
 - Local Police
 - UK Border Agency
- 4.17. The Council also work with other agencies to assist in recovering any fraudulent proceeds wherever possible. Where the use of a financial investigator is required this will be sourced externally through the National Anti Fraud Network (NAFN).
- 4.18. The Council also utilise the services of the NAFN where necessary to obtain information for fraud investigations. NAFN are a public sector organisation which exists to support members in protecting the public interest.
- 4.19. A list of potential fraud areas is included below. Please note that this list is not exhaustive.
- Housing benefit claims.
 - Council tax exemptions and discounts.
 - Business rates exemptions and discounts.
 - Right to buy sales.
 - Social care and direct payment activities.
 - Insurance claims.
 - Disabled parking (including blue badge misuse).
 - Procurement.
 - Housing tenancy fraud and illegal subletting.
 - Pensions.
 - Means tested services and grants, including grants paid as a result of the Covid-19 pandemic.
 - Creditor payments.

- Payroll claims and payments.
- Recruitment.
- Misuse of, misappropriation or theft of assets.
- Cash collection and cash payment systems.

5. Key elements – Prevent

- 5.1. The responsibility for anti-fraud arrangements is widely dispersed. Members, in particular through the Cabinet and the Audit Committee, have to give clear support to the Council's arrangements. The Council's senior management team must provide strong leadership by advocating the Council's arrangements and supporting strong action when these are ignored.
- 5.2. The Chief Executive and Assistant Director of Finance are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Council's interests are safeguarded, including its reputation.
- 5.3. The Council has adopted a Constitution which shows responsibilities for decision making and includes various contract and financial procedure rules. All Members and officers are required to act in accordance with these rules and requirements when carrying out their duties.
- 5.4. The Council aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with service managers. Support is given by the Council's Internal Audit Team, which provides an independent appraisal of the integrity of all internal control systems.
- 5.5. Key internal procedural and control initiatives in place within the Council to prevent fraud include: -
 - an effective Anti-Fraud, Bribery and Corruption Policy and Strategy, that maintains a culture in which we will not tolerate fraud, bribery or corruption.
 - a strong constitution and high level scheme of delegation.
 - compliance by officers and Members with respective codes of conduct.
 - a Register of Interests to enable Members and employees to record any financial or non-financial interests that may bring about conflict with the Council's interests.

- a Register of Gifts and Hospitality to enable employees and Members to record gifts and hospitality either received, or offered and declined, from the Council's contractors and suppliers.
- a Risk Management strategy and procedures.
- suitable and enforced Financial and Contract Procedure Rules.
- robust recruitment and selection procedures.
- DBS (Disclosure and Barring Service checks) and employee vetting procedures (where applicable).
- robust internal control environments designed and implemented by service managers and challenged through Internal Audit arrangements.

5.6. Deterring fraud is a large part of fraud prevention. The Council is committed to taking all viable steps to prevent, deter, detect and remedy instances of fraud and corruption whether the threat is internal to the organisation or external to it. Key to this is the development and maintenance of an anti-fraud culture. Key anti-fraud / deterrent measures include:

- clear and active disciplinary and grievance arrangements.
- publicising the anti-fraud message on claim forms, the website and on other interactions with the staff and public.
- a commitment to pursue sanctions against those who commit fraud, bribery and corruption through an agreed prosecutions and civil recovery policy and use of internal disciplinary arrangements.
- planned publication of fraud newsletters and fraud awareness campaigns.
- publication of an annual Preventing and Detecting Fraud and Error report to publicise activity undertaken and its results.
- anti-fraud and corruption training.
- awareness of fraud risks by service and strategic managers.
- confidential reporting (Whistleblowing) procedures.

5.7. In addition to the above, proactive fraud detection and assurance activities both increase fraud awareness and overall fraud detection levels. The primary responsibility for internal control activities lies with service managers; however, there are other proactive initiatives that help to control these risks. Examples include:-

- participation in the Cabinet Office's National Fraud Initiative's mandatory and discretionary fraud detection initiatives.

- Internal Audit led internal data matching initiatives (matching data between Council systems to detect fraud and error).
- periodic checks on systems, processes and areas by Internal Audit as part of their statutory role.
- the use of continual analytical systems such as AP Forensics to examine creditor payments to detect duplicated payments, examine changes to supplier bank details in order to detect bank change mandate fraud or detect potential employee conflicts of interest.
- working with the Council's bank through dedicated software to detect instances where the Council's cheques have been fraudulently altered (cheque fraud).
- auditing by dedicated individuals of direct payments paid to adults for their personal care to detect misuse or fraud.
- close working with the Digital Council Programme and other change initiatives to ensure the introduction of robust controls from the inception of projects or change processes.
- provision of advice services by Internal Audit Services, Financial Management and Legal Services to service managers.

6. Key elements – Pursue

Investigate

- 6.1. Pursuing suspected fraud and error is also a key factor in the success of counter fraud activities across any organisation. The Council has a Fraud Response Plan which provides detailed fraud-response arrangements to enable any information gained or allegations made to be properly and effectively dealt with. The plan explains how any fraud allegations will be dealt with and who is responsible for their investigation. Generally speaking, low level fraud cases will be investigated by service managers with assistance from Human Resources and Internal Audit. Larger scale concerns may be investigated directly by Internal Audit Services with Human Resources where there are employees involved. Each case however, will be assessed on its own merits and an appropriate person assigned to investigate it.
- 6.2. Details on how to refer suspected frauds for investigation can be found in the Whistleblowing Policy and Procedures and associated Whistleblowing Factsheet. These are available on the Council's website. A dedicated fraud hotline is also maintained and referrals can be made to Internal Audit Services by calling the hotline on 01302 862931. Wherever a whistleblow is received that alleges fraud or corruption, Internal Audit Services will be informed.

- 6.3. In addition to the above, it is recognised that the Council's Complaints Procedures also have a part to play. Often, the complaints process is the first port of call for non-employees wishing to raise a concern about a process or event. It is important that concerns being raised through this route are dealt with properly and that it is recognised that where concerns are about fraud and corruption, that they are dealt with through the Whistleblowing Policy and the Anti-Fraud and Corruption Framework rather than the complaints procedure.
- 6.4. It is important that any frauds are investigated by suitable individuals. The Council employs trained investigators to investigate complex cases. Those dealing with fraud in Internal Audit are CIPFA CIPS trained (Certificate in Investigative Practice). Providing trained and dedicated staff ensures that the Council has the skills to successfully investigate suspected cases of fraud and obtain the best possible outcomes for the tax payer. In addition to the above, the Council has access to dedicated financial investigators through the National Anti-Fraud Network. These are specialist trained investigators who investigate financial affairs to attempt to trace any profits from fraud and recover them through POCA legislation (Proceeds of Crime Act). The Council does not employ its own financial investigator as the role is specialist and is not needed full time. Where the Council needs such a specialist role, it will either liaise with the financial investigators of the Police or will seek to contract such services as necessary.
- 6.5. During any investigation, it is important to consider whether the Police need to be involved in any investigation and at what stage this involvement should start. The Council will work in partnership with the Police to investigate and prosecute detected fraud and corruption. The extent of the involvement by the police will be different in each case and will depend on what is being investigated, its size and complexity and whether the Council has sufficient powers to investigate and prosecute the case. The Council will work with the Police to investigate all cases that are referred to the Police. Specific roles and responsibilities will be determined on a case by case basis as it will depend largely on what is being investigated. Referrals to the Police will be made at a suitable point in the case by Internal Audit Services or the Assistant Director of Finance. No referrals should be made to the Police for fraud, bribery or corruption by other parties.
- 6.6. Where a case referred to the Police involves an employee, the case will be pursued on a parallel basis wherever possible. (This is where a criminal case is progressed alongside an internal disciplinary or civil case). Internal Audit Services will work with the Police to progress any criminal case and will work with Human Resources to progress internal investigations and sanctions.
- 6.7. After any investigation, changes to the control environment are always considered to limit any further fraud exposures or to improve detection

measures. These actions / changes are monitored by Internal Audit Services and are reported on in the services Annual Report.

Prosecute / Sanctions

- 6.8. The final stage in the pursue element is to take action against those where fraud has been confirmed. The Council has a formally agreed Prosecution Policy that outlines action that will be taken against any party committing fraud against the Council. Action will be taken against those responsible for fraudulent acts wherever it is in the public interest to do so. Where the Police have been involved in any case and there is sufficient evidence to proceed, the Council will work with the Police to prosecute instances of fraud and corruption. Where the Police have not been involved and it is in the Public interest, criminal and civil actions will be considered and taken by the Council wherever there is a legal route to do so.
- 6.9. Where employees have committed a fraudulent or corrupt act, the Disciplinary and Grievance Policy and associated procedures are also an important element. Consideration will be given in each case, by Internal Audit Service and the relevant Human Resources Officers, to determine whether any prosecution is undertaken at the same time as internal disciplinary processes are undertaken. So called “parallel sanctions” will be undertaken wherever possible and in the public interest.
- 6.10. The Council seeks to work with its partner agencies and other government agencies to take action against those that commit fraudulent acts. The Council will share information as appropriate with partner agencies wherever there is a clear and legal path for doing so. Generally, information required for the prevention and detection of fraud is exempt from the requirements of the Data Protection Act although any information requested must always be proportionate to the issue being investigated. The Council will comply with the requirements of the Data Protection Act and with the Regulation of Investigatory Powers Act in all its fraud investigations.
- 6.11. Details of action taken and investigations of any suspected frauds within the Council are reported annually in the annual Preventing and Detecting Fraud and Error report to Audit Committee.

7. Key Elements - Protect

- 7.1. The Council endeavours wherever possible to protect itself and its residents from fraud.
- 7.2. Counter fraud training is provided to staff where appropriate and all Internal Audit staff have regular refresher counter fraud training.

- 7.3. Managers are responsible to ensure that appropriate controls are designed for the procedures and processes under their responsibility.
- 7.4. Data matching exercises are carried out internally and also through the National Fraud Initiative to detect any anomalies or possible fraudulent payments.
- 7.5. There are joint working initiatives in operation with partner organisations such as St Leger Homes of Doncaster and Doncaster Children's Services Trust, who has separate internal audit and fraud arrangements.
- 7.6. Intelligence received from other authorities and the National Anti-Fraud Network about fraud scams and fraud trends are used to inform counter fraud plan and associated detective work.
- 7.7. Awareness of fraud, corruption and bribery for residents and the wider community is limited and requires some improvement. The Council have concentrated on ensuring staff are aware of fraud, corruption and bribery.

8. Roles and Responsibilities

8.1. Throughout this framework, reference has been made to the various roles and responsibilities of individuals or services. For reference, these responsibilities are summarised below.

8.2. General responsibilities (all persons)

- To report suspected concerns or irregularities through the arrangements in the Whistleblowing Policy.
- To uphold a positive anti-fraud, bribery and corruption culture.
- To undertake anti-fraud training as adopted by the Council.
- To comply with the Council's Code of Conduct together with any additional code relating to their professional qualifications.
- To act in accordance with Financial and Contract Procedure Rules
- To declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Council.
- To make annual declarations of interest to enable their managers to effectively manage situations where a conflict of interest may occur.

8.3. Manager responsibilities

- To design and apply controls in their area as appropriate to prevent and detect fraud and corruption.

- To deal with conflicts of interest raised by their staff in an appropriate and responsible way.
- To ensure all their staff are adequately trained on procedures and controls to be complied with.
- To ensure proper procedures are being followed.
- To follow prescribed recruitment procedures aimed at recruiting high quality and honest staff.
- To assist those charged with the investigation of a concern and provide evidence to support any investigation or to investigate concerns, where agreed, using the Authority's disciplinary procedures where the outcome of an investigation indicates improper behaviour.
- To ensure that all suspected financial irregularities or financial impropriety brought to their attention are reported to the Assistant Director of Finance and/or the Head of Internal Audit.

8.4. Chief Executive responsibilities

- To be responsible for the overall management arrangements of the Council.
- To promote an organisational culture that accords with the principles of public life.
- Develop and maintain an Anti-Fraud, Bribery and Corruption Framework.

8.5. Assistant Director of Finance (as S151 Officer) responsibilities

- To maintain adequate and effective internal control arrangements.
- To ensure that all suspected financial irregularities are reported to the Head of Internal Audit.
- To refer cases to the Police for investigation / prosecution alongside Internal Audit Services.
- To ensure that sufficient resources and that sufficiently trained staff are provided to fulfil the Council's anti-fraud aims and properly investigate suspicions of fraud and corruption.

8.6. Audit Committee responsibilities

- To review the risk management arrangements for the Council and the effectiveness of the Internal Audit function.

- To monitor, via reports from Internal Audit Services, the implementation of agreed management actions to improve the control environment and take action where these actions are not being implemented.

8.7. Monitoring Officer responsibilities (Assistant Director of Legal and Democratic Services)

- To advise on legal proceedings where there have been legal breaches.
- To advise on the recovery of assets and losses where appropriate.

8.8. Assistant Director of Human Resources responsibilities

- To develop vetting and barring procedures which are intended to deliver high quality personnel with suitable levels of integrity into the Council's employment.
- To provide advice to employees wishing to raise concerns.
- To advise departmental managers required to make decisions with regards to suspension and disciplinary proceedings.

8.9. Head of Internal Audit responsibilities

- To support managers in preventing and detecting fraud, bribery and corruption.
- To provide assurance on the appropriateness and effectiveness of systems and procedures.
- To investigate serious suspected financial irregularity and will liaise with managers to recommend changes in procedures to prevent further losses to the authority.
- To consult with the Police or refer an investigation to them, as appropriate.

8.10. External Auditor responsibilities

- To carry out specific reviews that are designed to test (amongst other things) the adequacy of the authority's internal financial and other controls and arrangements for preventing and detecting fraud and irregularity.
- To review the Council's accounts to ensure they are free from significant fraud and error.

- To liaise with Internal Audit Services on fraud referrals received directly by them and investigate those deemed in the public interest.

SANCTIONS / PROSECUTION POLICY

1. Policy Statement

- 1.1. After any investigation, sanctions should be applied where fraud has been found to have been committed. The Council will pursue criminal and civil action in a robust, consistent and proportionate manner wherever this is in the public interest.
- 1.2. The Council will pursue a range of options, as appropriate to each case, including:-
 - Pursuit of civil or criminal sanctions through the courts (either in conjunction with the Police or directly as determined by the Anti-Fraud, Bribery and Corruption Strategy).
 - Internal disciplinary action against any employee committing fraud using the Council's Disciplinary Policy.
 - Recovery of losses by recovering pension contributions from employees who are members of the Pension Fund.
 - Recovery of losses by recovering assets owned by an employee or third party found guilty of committing fraud through POCA (Proceeds of Crime Act) legislation or Unlawful Profit Order (UPO)
 - Filing for Bankruptcy where an individual has a poor history of paying.
 - Recovery from any current salaries or by way of an attachment of earnings'.
 - Referral of any detected frauds through to the relevant professional bodies as appropriate.
- 1.3. The Council condemns any breaches and abuses of its financial systems and procedures and is committed to deterring all such intentional breaches and abuses. In all cases where it is in the public interest, criminal or civil action will be taken either by the Council or in collaboration with the Police. Any cases where prosecutions are successful will be published in order to act as a further fraud deterrent.
- 1.4. The Council will, if satisfied that it has suitable grounds for doing so, seek to recover from any person or member of staff who has abused its financial systems and procedures, any losses incurred to the public purse.
- 1.5. In implementing this policy, the Council will rely on the advice of the Chief Executive, Assistant Director of Finance, Assistant Director of Legal and Democratic Services as Monitoring Officer and the Head of Internal Audit.

2. The Decision to Prosecute

- 2.1. In making a decision to prosecute, the authorised officer will apply two tests to ensure that all relevant factors are considered and in line with a fair and consistent approach.
- 2.2. The first test is consideration of the evidence. If the case does not pass the evidential test a prosecution will not go ahead. If the Evidential Test is satisfied then the authorised officer will consider if it is in the public interest to prosecute. A prosecution will only be taken if both tests are satisfied.

The Evidential Test

- 2.3. Authorised officers must be satisfied that there is sufficient, admissible and reliable evidence to provide a realistic prospect of conviction.
- 2.4. **Sufficient** evidence is based on a jury being more likely than not to convict the defendant of the charge alleged. Whilst this part of the test is subjective the authorised officer will aim to be impartial and have regard to any statutory defence that is available.
- 2.5. **Admissible** evidence is that which is allowed to be given at trial. However, there are legal rules which might not allow evidence that appears relevant to be given at trial. In the event that some evidence falls within this category, authorised officers will ensure there is enough other evidence for a realistic prospect of conviction.
- 2.6. **Reliable** evidence is that which is not affected by factors such as age, intelligence or level of understanding, by the background of witnesses (for example a motive that may affect their attitude to the case or a relevant previous conviction), or a general concern over the accuracy or credibility of the evidence. Where such concerns arise authorised officers will not ignore the evidence rather look at it closely in conjunction with other evidence to decide whether there is a realistic prospect of conviction.

The Public Interest Test

- 2.7. The general principle of this policy is that having satisfied the Evidential Test a prosecution will usually take place unless the public interest factors against prosecution clearly outweigh those in favour of prosecution or it appears more appropriate to the circumstances of the case to administer some other sanction that is open to the Council.
- 2.8. The public interest factors will vary from case to case. Not all factors will apply to each case and there is no requirement to restrict consideration to just the factors listed.
- 2.9. Public interest factors in favour of prosecution:
 - A conviction is likely to result in a significant sentence;

- A conviction is likely to result in a confiscation order;
- The offence involved the use of a weapon or violence;
- The offence was committed against a person serving the public;
- The risk presented to the public was serious or widespread;
- The defendant acted fraudulently, wilfully or negligently;
- Harm was caused to human health, animal health or the environment;
- The defendant was in a position of authority or trust;
- The defendant was a ringleader or organiser of the offence;
- Evidence shows the offence was premeditated or solely for personal gain;
- Evidence shows that a group of people have conspired or colluded to commit the offence;
- The victim was vulnerable or suffered personal attack, damage or disturbance;
- The offence was motivated by discrimination;
- Evidence shows an element of corruption or bribery;
- The offence was committed in the presence of a child;
- The defendant has previous relevant convictions;
- There is reason to believe the offence is likely to be repeated;
- The offence, whilst not serious in itself, is widespread in the area;
- A prosecution would have a serious positive impact on maintaining community confidence; and
- Where a prosecution outcome might establish an important precedent or draw public attention to a national or local campaign.

2.10. Public interest factors against prosecution:

- The alleged offence was committed as a result of a genuine mistake or misunderstanding of the circumstances or of the law;
- The loss or harm is considered minor and was the result of a single incident;
- The defendant has put right the loss or harm that was caused (but defendants must not be able to avoid prosecution simply by offering compensation);

- There has been a long delay between the alleged offence and the decision to prosecute (unless the offence has only recently come to light, the offence is serious, the offence is complex and has resulted in a long investigation, the delay has been caused by the defendant);
- The court is likely to impose a very small or nominal penalty;
- A prosecution is likely to have a bad effect on the victim's physical or mental health but this needs to be balanced against the seriousness of the offence;
- The defendant is elderly (over 70 for the purposes of this policy) or young (under 18 for the purposes of this policy) or has significant mental or physical ill health issues;
- Details may be made public that could harm sources of information, international relations or national security.

2.11. Deciding on the 'Public Interest' is not simply a matter of adding up the number of factors for and against as some factors will be more important than others. As such authorised officers will be required to 'weight' factors in assessing each case and concluding on a decision to prosecute or not.

Other Considerations

2.12. Authorising officer's assessments regarding decisions on whether to prosecute or not should be briefly justified for the benefit of investigating officers to enable them to take account of relevant factors when investigating future cases and deciding on the depth of investigation required and extent of resources to be utilised. This will ensure investigations are commensurate with the circumstances of each case particularly as 'case history' and investigatory experience develops.

2.13. When deciding whether a case should be prosecuted, authorised officers will consider the alternatives to prosecution in pursuit of the aim to change inappropriate behaviour and to deter future non-compliance. Such alternatives include sanctions such as the imposition of fines or penalties, civil action to recover costs as well as losses, disciplinary action in the case of employees or direct action to stop further offences such as the confiscation of a Blue Badge or the cessation of a Taxi Licence.

2.14. As a general principle and to meet with the requirements of the Anti-Fraud Bribery & Corruption Policy & Strategy Statement, sanctions will be the severest and most appropriate taking account of the circumstances of each case and consideration will be given to instigating action at multiple levels where appropriate (e.g. an employee who commits wrongdoing may be disciplined, subject to prosecution and action to recover losses and costs).

2.15. In order to deter would be offenders, Doncaster Council will aim to publish details of any prosecution or other sanction taken within the limits of the

legislative requirements and any other obligations to which the Council is subjected.

- 2.16. Any decision to prosecute must also consider the merits of instigating a Proceeds of Crime Act (POCA) investigation where there may be significant assets held by the offender that cannot be accounted for through legitimate means. Internal Audit must be notified where POCA investigations are being considered so that they can liaise appropriately with a Financial Investigator sourced externally via the National Anti-Fraud Network.

FRAUD RESPONSE PLAN

1. Purpose

- 1.1. This document provides guidance and a framework for the investigation of suspected instances of fraud and corruption. It gives guidance, whether to those raising concerns or those investigating concerns, as to how any fraud investigation will proceed.
- 1.2. This document sets out, in simple terms, how a fraud investigation will be conducted. Each investigation will be different as each will have different elements and will require different actions but will follow the same overall principles. Guidance on this policy and the appropriate investigative steps can be obtained from Internal Audit Services or Human Resources.

2. Objectives

- 2.1. This plan aims to ensure timely and effective action can be taken to:
 - minimise the risk of inappropriate investigative action by employees or managers;
 - minimise the risk that someone will inappropriately disclose information about a concern or investigation that could compromise it;
 - ensure that there is a clear understanding about who will lead on any investigation and ensure local managers and other departments are involved as appropriate;
 - secure evidence relating to any investigation and ensure that such evidence is adequately protected;
 - prevent further losses of funds or other assets where fraud has occurred and maximise the chances to recover any losses;
 - ensure that there is sufficient evidence to support any allegation before civil, criminal or internal disciplinary action is started;
 - minimise any adverse publicity for Doncaster Council as caused by dishonest fraudulent acts;

3. Links with other policies

- 3.1. This policy directly links to both the Complaints and Whistleblowing Policies. Concerns of fraud or misconduct are often received through these channels.
- 3.2. It is important that fraud concerns raised through the Complaints process are dealt with as fraud referrals and not as complaints. This is because:-

- the timescales involved in acknowledging and responding to complaints is not appropriate for fraud investigations. Whilst every attempt is made to deal with all investigations in a timely and prompt way, it is not possible to set a definitive deadline in which to complete it. The gathering and interpretation of evidence is a key element in the success of any investigation and it is this that drives the length of any investigation.
 - whilst it is important to maintain communication with anyone raising a concern, consideration needs to be given as to how much information can be disclosed without breaching the Data Protection Act or putting the investigation itself at risk. The information that can be released needs to be carefully considered and will always be in line with the guidance in the Whistleblowing Policy.
- 3.3. Complaints that are received through the Whistleblowing Policy and fraud or wrong-doing concerns that are raised through the Complaints Policy will be dealt with under the most appropriate policy. Any individuals making such a referral will be told under which policy the concerns are to be investigated.

4. What to do if you suspect fraud

- 4.1. If you suspect fraud or wrong-doing, you should follow the instructions contained within the Whistleblowing Policy to raise your concern. After the concern is raised, a decision will be made about who is best placed and has the right skills to investigate any concern. This is discussed in more detail in the next section of this plan.
- 4.2. It is important that you don't:-
- try to investigate any concerns yourself;
 - discuss your concerns outside of the routes in the Whistleblowing Policy;
 - confront anyone, whether an employee or not, about your suspicions;
 - ignore your concerns.
- 4.3. This is because:-
- you may alert those you suspect to a potential investigation;
 - evidence could be destroyed;
 - evidence could be compromised and may not be usable in any investigation or prosecution if it has been interfered with;
 - Council relationships between employees, suppliers or partner agencies could be damaged;

- the Council's reputation could be damaged unnecessarily.

5. Assigning the investigation

- 5.1. When a referral for a suspected fraud is received, it is common practice for background work to be undertaken in order to determine whether the concerns are valid. This ensures that employee / supplier / contractor or other party relationships are not unnecessarily damaged by a formal investigation.
- 5.2. If initial background work suggests that the concern is valid and requires further detailed investigation, a case strategy meeting will be held. The meeting will consist of a senior manager within the affected area, a representative from Internal Audit Services and, where the concerns relate to an employee, a member of Human Resources. The situation will be discussed and a decision made as to who will conduct the investigation.
- 5.3. The investigation work will be assigned to a suitably trained person or where appropriate the assigned staff member will be supervised by a suitably trained person. The investigation will be carried out in line with UK Public Sector Internal Audit Standards (PSIAS) and in compliance with the Data Protection Act.
- 5.4. The Council's Monitoring Officer will be made aware of the investigation and Human Resources will be involved where appropriate to do so.
- 5.5. Where fraud concerns are relatively simple in nature, these will be assigned to a relevant manager to undertake with guidance as appropriate from Internal Audit Services. Where the concerns are more serious, more complex or require specialist knowledge or training or are likely to result in criminal or civil proceedings, these will be investigated by Internal Audit Services.
- 5.6. Where concerns relate to housing benefit fraud, these concerns will be directed to, and investigated by, the Single Fraud Investigation Service within the Department of Work and Pensions.

6. Undertaking the investigation

- 6.1. Once assigned to a responsible person, the investigation can proceed. Advice will be offered by Internal Audit Services throughout any management investigation.
- 6.2. There are no set timescales for the investigation of any fraud. Guidelines for the investigation of employees under the Disciplinary Policy aim for such work to be completed within 8 weeks. The timescale for any fraud investigation will be driven by the complexity of the allegations and the number of years any activity is suspected to have gone on for. In all case however, investigations should be carried out as quickly as possible whilst maintaining investigative standards.

- 6.3. Evidence should be secured as early as possible in any investigation to ensure that it is not destroyed or lost. It is important that any such documentation is securely stored and is retained both during and after the investigation. Internal Audit Services will provide advice and support on gathering and retaining evidence as required.
- 6.4. The securing of electronic data, surveillance or CCTV footage, computers or equivalent equipment is a specialised procedure. The collection of such information can, inadvertently, damage the evidence being secured and can damage any potential prosecution if allegations are proved correct. Specialist advice from Internal Audit must be sought before attempting to collect such information.
- 6.5. Any interviews of any potential suspect or witness need to be arranged when suitable evidence has been gathered. It is important that any interview is conducted fairly and impartially. A failure to do so can damage any sanctions (internal or external) and bring the reputation of the Council into disrepute. All interviews must be recorded, either electronically or by the creation of adequate supporting interview notes and a statement. It is always best practice to get the person interviewed to sign off any statement provided.
- 6.6. Where any investigation suggests criminal activity, a decision will be made, in conjunction with Internal Audit Services and Legal Services, as to whether to involve the Police from the outset of any investigation. Interviews under the PACE Act (Police and Criminal Evidence Act) must only be performed by those with the required training to do so and must be properly recorded. A copy of any interview tapes will be made available to the interviewee in line with normal PACE procedures.
- 6.7. Referrals to the Police will be made by Internal Audit Services or the Assistant Director of Finance. Internal Audit Services will liaise with the Police throughout the investigation to ensure that any prosecution has the highest likelihood of success.

7. Preserving evidence

- 7.1. In gathering any evidence care must be taken to:
 - avoid any changes to the evidence (original documents must be preserved and not written on or damaged).
 - avoid any unnecessary or unjustifiable breaches of an individual's human rights (guidance and support is available from Legal Services, Human Resources and Internal Audit Services in the performance of searches, the use of computer monitoring data or building access logs or the monitoring of individuals using surveillance techniques that may breach such rights).

- collect computers and electronic information in a way that does not compromise the information. On no account should any computer thought to contain evidence relating to a fraud investigation be handled, turned on or shut down. Advice must be sought from Internal Audit Services who will ensure that the computer is secured in an appropriate way. Only those persons trained to do so, should secure computer based evidence.
- prevent access by any suspended employee to any files or computer system. Where an employee is suspended on the advice of Human Resources, access to the building, records and computer systems should be temporarily suspended to prevent any tampering with any available evidence. Where an employee requires access to files or electronic systems for their own defence, this should be supervised or the employee should access a copy of the relevant files to prevent tampering.

8. Managing communications

- 8.1. Whistleblowers / complainants will be kept informed about the progress of an investigation as prescribed in the Whistleblowing Policy. However, detailed information on progress or detailed findings will not be released wherever there is a concern that it may damage an investigation. In releasing any information, those investigating must be aware of the requirements of the Data Protection Act and must not release any information relating to action being taken against an individual.
- 8.2. The Communications Team will deal with any press or publicity in connection with any investigated case. Where appropriate the details of all successful prosecutions will be released to the media through the Communications Team. Staff and managers must not directly disclose any information to the press except through the Communications Team.
- 8.3. The aim of any press release is to deter further fraud and corruption and show the Council's commitment to preventing, detecting and prosecuting those who commit fraud against the Council.

9. Concluding investigations

- 9.1. At the conclusion of any investigation, a decision needs to be made as to whether the investigation and its evidence warrants action being taken against any individual or individuals as outlined in the Sanctions / Prosecution Policy. Any decision will be based on the quality of the evidence available, the size of any fraud or issue and the likelihood of success of any sanction attempted. This decision will be made with input from all relevant parties including Legal

Services, Internal Audit Services, Human Resources (where an employee is involved) and service management. Advice will also be taken from the Police where applicable.

- 9.2. Internal Audit Services retains a log of all referred fraud and corruption and is required to report under the Transparency Code the outcome of any investigations and the values of any fraud detected. In addition, the results of any investigations that were deemed to result from a Whistleblow are also recorded for reporting purposes.
- 9.3. When cases of fraud are investigated, these will be reported in the annual Preventing and Detecting Fraud and Error Report.

APPENDIX 1: THE WIDER GOVERNANCE FRAMEWORK



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Doncaster Council

Report

Date: 29th April 2021

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

AUDIT COMMITTEE ANNUAL REPORT 2020/21

EXECUTIVE SUMMARY

1. The production of an annual report allows the Audit Committee to demonstrate it has fulfilled its terms of reference and share its achievements with the whole Council. The production of such a report also complies with current best practice for audit committees. This report asks Members to note and approve the draft Audit Committee Annual Report for 2020/21, attached to this report.

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

- Helping to maintain and improve the Council's system of 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 management actions and holding 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 and its Audit within timescales not achieved by many other Local Authorities.
- Supporting the Council's antifraud 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.

This Annual Report is a very encouraging report, recognising the positive outcomes achieved in this most challenging of years, the positive assurance it has received over the Council's, risk, governance and control arrangements and the effective contribution made by the Audit Committee during the year.

EXEMPT REPORT

2. Not applicable, for information only.

RECOMMENDATION

3. The Audit Committee is asked to make comment on and consider for approval the attached Audit Committee Annual Report 2020/21 and for it to be suitably published.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

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

BACKGROUND

5. The Audit Committee is a key part of the governance arrangements of the Council. It is appropriate that the important work of the Committee is shared with the rest of the Council and other stakeholders. The draft Annual Report of the Audit Committee, attached at **Appendix 1** to this report, sets out key aspects of the work undertaken by the Committee during 2020/21.

OPTIONS CONSIDERED

6. Not application, for information only.

REASONS FOR RECOMMENDED OPTION

7. Not applicable, for information only.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

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

	Outcomes	Implications
	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;	

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

	Outcomes	Implications
	<ul style="list-style-type: none"> • 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 improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

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

LEGAL IMPLICATIONS (SRF, 09/04/21)

10. The Audit Committee is a key part of the Council's governance controls and the work it does contributes to the Council's overall responsibility to maintain an adequate and effective system of internal controls. Further specific legal advice can be provided on any matters arising as required.

FINANCIAL IMPLICATIONS (ST, 12/04/21)

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

HUMAN RESOURCES IMPLICATIONS (RH, 09/04/21)

12. There are no HR implications associated with this report.

TECHNOLOGY IMPLICATIONS (PW, 09/04/21)

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

HEALTH IMPLICATIONS (RS, 13/04/21)

14. There is no direct health implication of this report. The health implications rest with the service areas to be audited as part of Internal Audit Plan 2021/22.

EQUALITY IMPLICATIONS (PRJ, 08/04/21)

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

CONSULTATION

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

BACKGROUND PAPERS

17. Various Audit Committee Reports from July 2020 to April 2021 Audit

Committees.

REPORT AUTHOR & CONTRIBUTORS

Peter Jackson, Head of Internal Audit
Telephone 01302 862938
E-Mail: peter.jackson@doncaster.gov.uk

Faye Tyas
Assistant Director of Finance

Annual Report of the Audit Committee 2020-21



FORWORD

I am pleased to present this report which highlights the contribution this Committee has made during 2020/21 to the achievement of good governance and internal control within the Council.

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, overseeing the financial reporting and annual governance processes. It also maintains oversight of internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

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

This last year has been unprecedented due to the COVID-19 Pandemic. The committee has very actively engaged with the Head of Internal Audit and other



Councillor Austen White
Chair of the Audit Committee, 2020/21

officers during this period to understand the nature and depth of challenges relevant to the committee.

We did this through; -

- Longer, more detailed training, briefing and update sessions for committee members.
- More regular meetings between myself and the Vice Chair with the Head of Internal Audit
- More ad hoc discussions with officers regarding issues such as local Fight Back Fund grants, Ward Based Members grants, central government grants to business and social care providers and the procurement and issue of critical Personal Protective Equipment (PPE) for many establishments within the borough.

All of this, and our Audit Committee meetings have continued to be delivered virtually during this period, which was then an all new experience for members of the Audit Committee.

We noted last year the improvement in risk governance and control in the Adults, Health and Wellbeing Directorate and I am pleased to reflect on their continued improvement during recent and most challenging of years. This is reflected in;

continued improvements in contract and commissioning arrangements resulting in a further reduced number of breaches of contract procedure rules recorded in a very positive annual report – This has been maintained during the pandemic

demonstrating the sound embedded practices now in place.

- Internal Audit plans and coverage continuing at much lower levels reflecting the lower assessed risk and improved risk, governance and control environment.
- Within the wider Council, the Committee felt frustrated during 2019 at the number of overdue management actions implementing audit recommendations and wrote to the Chief Executive on this subject. There has now been a marked improvement in the number of overdue actions due to:
 - Internal Audit and Directorate Management have continued the practice of rigorously pursuing the completion of all management agreed actions.
 - A much lower number of new actions have been raised during the year due to:
 - More work has been done this year to support wider council operations.
 - A significantly increased amount of work undertaken has resulted in substantial assurance opinions being given.
 - Higher levels of advisory and investigative work.
 - Higher levels of work in progress due to the currently longer duration and increased time needed for some types of audit.

The area of concern is around the actions outstanding from the Trading Standards and Food Safety review of 2019. The team have been impacted tremendously by the COVID-19 pandemic and Post Brexit requirements, allied with a national issue, which is a shortage of suitably qualified officers. We support the work of these teams in bringing the outstanding actions to a completion when possible alongside assurance from Internal Audit in the area.

Improvement in risk, governance and control is also apparent in the much reduced number of unplanned reports presented to committee, generally arising from Internal Audit work which is particularly reassuring in these unprecedented times.

There have been many further benefits from our work, the main outcomes and improvements include:

- Another positive External Audit opinion on the Council's Statement of Accounts, delivered to challenging timescales.
- Confirmation by External Audit that the Council has in place the arrangements required to achieve its objectives and deliver its services economically, effectively and efficiently.
- We have continued working well with our External Auditors, Grant Thornton, under the noted constraints of increasingly technical complex audit issues and also the challenges of auditing virtually and other staffing issues caused by the COVID-19 pandemic. We appreciate this even more given the worsening national picture highlighted within the Redmond Review

- A strong and positive Annual Governance Statement highlighting a low number of issues similar to previous years
- A strong and positive opinion from the Head of Internal Audit in his Annual Report; this is particularly reassuring during this most challenging of years
- A strong and positive Annual Fraud report indicating low level values and incidents of fraud which is also particularly reassuring given the heightened risk of fraud due to the control arrangements being potentially weakened and the very high value of central government COVID-19 pandemic grant monies received.
- A comprehensive review of the effectiveness of the Audit Committee was carried out with pleasing outcomes from both Audit Committee member feedback and also from officers who attend the committee A further review and update of the Self-Assessment against best practice from CIPFA "Audit Committees / Practical Guidance for Local Authorities and Police" also was positive.

“ I would like to extend mine and the committee's thanks and gratitude to the Council's officers who have so extensively supported this committee during these most challenging of times ”

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INTRODUCTION

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

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

TERMS OF REFERENCE

During 2019, the Terms of Reference for the Audit Committee, were subject to a comprehensive review against guidance issued by Chartered Institute of Public Finance and Accountancy in 2018. The revisions adopted at the Annual Meeting of Council in May 2019 generally reflected terminology changes following auditing standards revisions. The new terms adopted still reflected local requirements with regard to discharging the role of the Standards Sub-Committee.

There were no changes made to the Terms of reference for the Audit Committee at the delayed Annual Meeting of Council in September 2020

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

COMMITTEE INFORMATION

The constitution and membership of the Audit Committee has remained unchanged during the 2020/21 year.

Audit Committee Membership

The Committee has five elected members:

Councillor Austen White(Chair)

Councillor Richard Jones (Vice Chair)

Councillor Charlie Hogarth

Councillor Tosh McDonald

Councillor David Nevett



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

Audit Committee Meetings

The Committee has met on six occasions during the year:



June 2020

July 2020

October 2020

January 2021

February 2021

April 2021

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

The normal meeting and agendas for the early part of the year were disrupted by the pandemic with the cancellation of the April 2020 meeting. Most of its agenda items were taken to June's Audit Committee which alongside July's Audit Committee brought the usual agenda items back up to date with the normal timetable of agenda items. The exception to this was the approval of the 2019/20 Statement of Accounts and to recommend the adoption of the 2019/20 Annual Governance Statement.

This was done at the October 2020 meeting of the Audit Committee making this meeting particularly important in the committee fulfilling one of its key responsibilities.

Unusually, there was an extraordinary meeting of the Audit Committee in February 2021 with a single item agenda to seek the adoption of a new Model Code of Conduct for Members. After consideration of the item it was taken to April 2021 Audit Committee with the associated additional material requested.

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



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

The Audit Committee has fulfilled its mandatory obligations during 2020/21.

COMMITTEE ACHIEVMENTS

A list of the reports considered by the Audit Committee can be found in **Appendix A**.

The main outcomes of the Committee's work in relation to its core functions and discharging its terms of reference can be summarised as follows:

Internal Audit

The Audit Committee:

- Received and considered the 2020/21 Annual Report of the Head of Internal Audit, which included his opinion on the Council's Risk, Governance and control arrangements.
- Received and considered regular reports from the Head of Internal Audit on the Internal Audit Team's progress in delivering the planned work and summaries of reports issues and approved any necessary changes to the plan as a result of the Covid pandemic, other new and emerging risks and special investigations. The reports also provided monitoring information on the implementation of agreed audit recommendations.
- Continued to provide support to the Internal Audit Team to ensure management was responsive to recommendations made and agreed.
- Agreed the Internal Audit Annual Plan for 2021/22.

The positive assurance from these reports were particularly helpful in this year where the Council's risk governance and control arrangements were put to such tests.

Regulatory Framework and Ethical Governance

The Audit Committee has:

- Considered and noted the Audit Committee Prospectus, Terms of Reference and Work Programme.
- Noted and approved the Annual Report of the Audit Committee.
- Overseen the production of and recommended the adoption of the Annual Governance Statement.
- Received reports on Compliance with the Council's Contract Procedure Rules, including breaches and waivers of these Rules including specific reference made to arrangements during the initial response period.
- Received and considered the Annual Fraud Report for the Council.
- Received regular reports on surveillance conducted by the Council under the Regulation of Investigatory Powers Act 2000.
- Considered and noted the Annual report of the Monitoring Officer.
- Recommended to Full Council, the adoption of a new Model Code of Conduct for Members

Core Function - Accounts

The Audit Committee has:

- Received reports on the Statement of Accounts and accounting policies used to prepare the accounts.
- Approved the Statement of Accounts by the Section 151 Officer
- Received and considered reports from the External Auditor on the Statement of Accounts.

Other Issues

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

- Update Report on Contract and Commissioning in Adults, Health and Wellbeing

Compliance with Best Practice

During 2018/19 and 2019/20 a self-assessment was carried out against checklists from the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance "Audit Committees / Practical Guidance for Local Authorities and Police 2018 Edition."

This identified the committee was generally operating to best practice with minimal actions to develop the committee further. A full training needs assessment was carried out in 2019/20 with all Audit Committee members which did not identify any specific immediate training needs but did highlight the use and benefits of

the ongoing training and updates provided to committee members.

A review of the Effectiveness of the Audit Committee was also undertaken in March 2021 which also confirmed compliance with best practice and no immediate training needs but some helpful suggestions to further improve the Audit Committee.

All audit committee meetings have been held virtually for this year and this included the training and updates sessions which were provided to the Audit Committee.

Topics included:

- Work of the Strategic Procurement team during the initial pandemic response period covering PPE; Supplier relief; Support in maintaining Contract Procedure Rules especially within Adult Social Care
- Work of the Trading Standards and Food Safety Teams during the initial pandemic response period
- Work of the Internal Audit Team during the initial pandemic response period
- Accounts Preparations and Training/Awareness on the Statement of Accounts
- Preparation of the Annual Governance Statement
- Internal Audit work plan strategy and plan revision 2020/21
- Self-assessment against best practice for audit committees
- Internal Audit Planning 2021/22
- Head of Internal Audit Opinion for 2020/21
- Governance Updates

AUDIT COMMITTEE ACTIVITY – 2020/21

Appendix A

Agenda Item	June '20	July '20	Oct '20	Jan '21	Feb '21	Apr '21
Audit Committee Actions Log	Received	Received	Received	Received	Received	Received
Annual Report of the Monitoring Officer	Received					
Breaches and Waivers to the Council's Contract Procedural Rules – September 2019 to February 2020	Received					
Annual Report of the Head of Internal Audit 2019/20	Received					
Draft Annual Governance Statement 2019/20	Received					
Internal Audit Plan 2020/21	Received					
Audit Committee Annual Report 2019/20	Received					
Grant Thornton – Update to Audit Plan	Received					
Grant Thornton – Audit Scale Fee	Received					
Covert Surveillance – Regulation of Investigatory Powers Act 2000 (RIPA) Update		Received				
Breaches and Waivers to the Council's Contract Procedural Rules March 2020 to June 2020		Received				
Unaudited Statement of Accounts 2019/20		Received				
Audit Committee Prospectus, Terms of Reference and Work programme 2020/21		Received				
Internal Audit Progress Report for the period: April 2020 to June 2020		Received				
Grant Thornton – Audit Committee Progress Report and Sector Update		Received				
Review of the Whistleblowing Policy			Received			
Breaches and Waivers to the Council's Contract Procedural Rules - July & August 2020			Received			
Internal Audit Progress Report for the period: July 2020 to September 2020			Received			
Statement of Accounts Local Code of Corporate Governance and Annual Governance Statement 2019/20 - ISA 260 Report to Those Charged With Governance			Received			
Covert Surveillance - Regulation of Investigatory Powers Act 2000 (RIPA) Update.				Received		
Update Report on Contracts and Commissioning in Adults, Health and Wellbeing				Received		
2019/20 Annual Governance Statement – Progress Update				Received		
Internal Audit Progress Report for the Period: October to December 2020				Received		
Preventing and Detecting Fraud and Error: October 2019 to September 2020				Received		
Grant Thornton Presentation – The Redmond Review				Received		
Grant Thornton Briefing on the Financial Reporting Council Report on Local Audit				Received		
Grant Thornton Annual Audit Letter 2019/20				Received		
Adoption of a New Model Code of Conduct for Members					Received	
Breaches and Waivers to the Council's Contract Procedural Rules – September 2020 to February 2021						Received
Draft Annual Governance Statement 2020/21						Received
Annual Report of the Head of Internal Audit 2020/21						Received
Internal Audit Plan 2021/22						Received
Audit Committee Annual Report 2020/21						Received
Anti-Fraud, Bribery and Corruption Framework Review						Received
Adoption of a New Model Code of Conduct for Members						Received
Grant Thornton – Audit Committee Progress Report and Sector Update						Received

Doncaster Metropolitan Borough Council Audit Progress Report and Sector Update

Year ending 31 March 2021

13 April 2021



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. 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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Introduction

Your key Grant Thornton team members are:

Gareth Mills

Key Audit Partner & Engagement Lead

T 07825 115921

E gareth.mills@uk.gt.com

Perminder Sethi

Engagement Senior Manager

T 07768 935273

E perminder.sethi@uk.gt.com

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk ..

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either Gareth or Perminder.

Progress at 13 April 2021

Financial Statements Audit

We have commenced our planning work for the 2020-21 audit during February 2021, and expect to complete our planning and interim audit work in July. We expect to begin our work on your draft financial statements during late July / early August.

Our interim fieldwork includes:

- Updated review of the Authority's control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Understanding how the Authority makes material estimates for the financial statements
- Early work on emerging accounting issues

Once we have completed our planning work, we will issue a detailed Audit Plan, setting out our proposed approach to the audit of the Authority's 2020-21 financial statements.

We will report our work in the Audit Findings (ISA260) Report and aim to give our opinion on the Statement of Accounts by 30 November 2021.

Value for Money

The new Code of Audit Practice (the "Code") came into force on 1 April 2020 for audit years 2020-21 and onwards. The most significant change under the new Code is the introduction of an Auditor's Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and will make more impact. Before beginning our work, we will discuss with you the timing and resourcing.

Please see page 8 for further details.

Audit Fees: proposed audit fee for 2020-21

Other areas

Certification of claims and returns

We certify the Authority's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions (DWP). The certification work for the 2019-20 claim was completed on 29 January 2021. The certification work for the 2020-21 claim has not yet begun.

Meetings

We met with Chief Financial Officer in February as part of our regular liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. We also met with your Chief Executive in February to discuss the Authority's strategic priorities and plans.

Events

We provide a range of workshops, along with network events and publications to support the Authority. Your officers attended our Financial Reporting Workshop in February, which helped to ensure that members of your Finance Team were up to date with the latest financial reporting requirements for local authority accounts.

Further details of the publications that may be of interest to the Authority are set out in our Sector Update section of this report.

During 2017, PSAA awarded contracts for audit for a five year period beginning on 1 April 2018. 2020-21 is the third year of that contract. Since that time, there have been a number of developments within the accounting and audit profession. Across all sectors and firms, the Financial Reporting Council (FRC) has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing.

Our work in the Local Government sector in both 2018-19 and 2019-20 included additional audit work, particularly in respect of property, plant and equipment valuations and pensions liability. There is also an increase in the complexity of local government financial transactions and financial reporting – as noted on this audit with the expansion of the Council's group accounts. This combined with the FRC requirement that all Local Government audits are graded at or above the "few improvements needed" (2A) rating means that additional audit work is required.

As referred to on page 8, the 2020-21 Code introduces a revised approach to our VFM work. This requires auditors to produce a commentary on arrangements across all of the key criteria, rather than the previous 'reporting by exception' approach. Auditors now have to make far more sophisticated judgements on performance, as well as issue key recommendations if any significant weaknesses in arrangements are identified during the audit. We will be working with the NAO and other audit firms to discuss and share learning in respect of common issues arising across the sector.

The new approach will be more challenging for audited bodies, involving discussions at a wider and more strategic level. Both the reporting, and the planning and risk assessment which underpins it, will require more audit time, delivered through a richer skill mix than in previous years. Our estimate is that for your audit, this will result in an increased fee. This is in line with increases we are proposing at all our metropolitan council audits.

Additionally, across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing, as noted in the number of revised ISA's.

The ongoing impact of the additional work required on significant risk areas of the audit (eg PPE and Pensions), together with the new VFM Code and the requirements of the revised ISAs, result in a proposed audit fee for 2020-21 of £212,430 (2019-20 £172,930). Whilst we appreciate this is a significant increase on the PSAA scale fee of £126,930, it reflects the very different environment auditors are now working in compared to when the audit tender was bid for back in 2017.

It should also be noted that both the Redmond Review and MHCLG also recognised the need to increase audit fees and, in this context, MHCLG made £15m available to local authorities to support the expected uplift in fees in 2020-21. As a firm we have 40% of the local authority market and our proposed increases across the sector equate to 40% of the funding available made available to local authorities.

We have discussed this with the Chief Financial Officer. Further details on our 2020-21 audit fee will be included in the Audit Plan in the summer.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting.

Audit Deliverables (indicative)

2020-21 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed Audit Plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Authority's 2020-21 financial statements and the Auditor's Annual Report on the Authority's Value for Money arrangements.	July 2021	Not yet due
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	August 2021	Not yet due
Audit Findings Report The Audit Findings Report will be reported to the November Audit Committee.	November 2021*	Not yet due
Auditors Report This is the opinion on your financial statements.	November 2021*	Not yet due
Auditor's Annual Report This Report communicates the key issues arising from our Value for Money work.	November 2021*	Not yet due

Page 286 * Members of the Audit Committee will be familiar from previous discussions regarding the challenging nature of the availability of specialist public sector external audit staff, and the volume of local authority audits which continued after last year's target date of completion of 30 November 2020. This background coupled with the impact of Covid remote working and the need to prioritise our NHS clients given their earlier audit deadline of June 2021, means that we are behind in our local authority planning and interim work compared to our normal timings and profile of delivery.

We have noted that MHCLG has set an indicative date of 30 September 2021 for audited local authority accounts. Given the context set out above, we believe this is highly unrealistic for 2020-21 audits (but as a firm we are fully supportive of this in a 'normal' year). We are proposing to target completing our audit fieldwork on your accounts in October before signing off your accounts in November. We will be happy to discuss this issue in more detail at the Audit Committee.

Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

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- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A dark purple rectangular button with the text "Local government" in white, sans-serif font, centered within the button.

Local
government

The new approach to Value for Money

The nature of value for money work

Section 20 and 21 of the Local Audit and Accountability Act 2014 (the Act), require auditors to be satisfied that the body “has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources”. The auditor’s work on VFM arrangements is undertaken in accordance with the Code and its supporting statutory guidance. The Comptroller and Auditor General has determined through the 2020 Code and guidance that the key output from local audit work in respect of VFM arrangements is the commentary as reported in the Auditor’s Annual Report. It is therefore not a VFM arrangements ‘conclusion’ or an ‘opinion’ in the same sense as the opinion on the financial statements themselves. The Act and the Code require auditors to consider whether the body has put in place ‘proper arrangements’ for securing VFM. The arrangements that fall within the scope of ‘proper arrangements’ are set out in ‘AGN 03 Auditors’ work on VFM arrangements’, which is issued by the NAO. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria:

Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services, including how the body:

- ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- plans to bridge its funding gaps and identifies achievable savings;
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;

- ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Governance

How the body ensures that it makes informed decisions and properly manages its risks, including how the body:

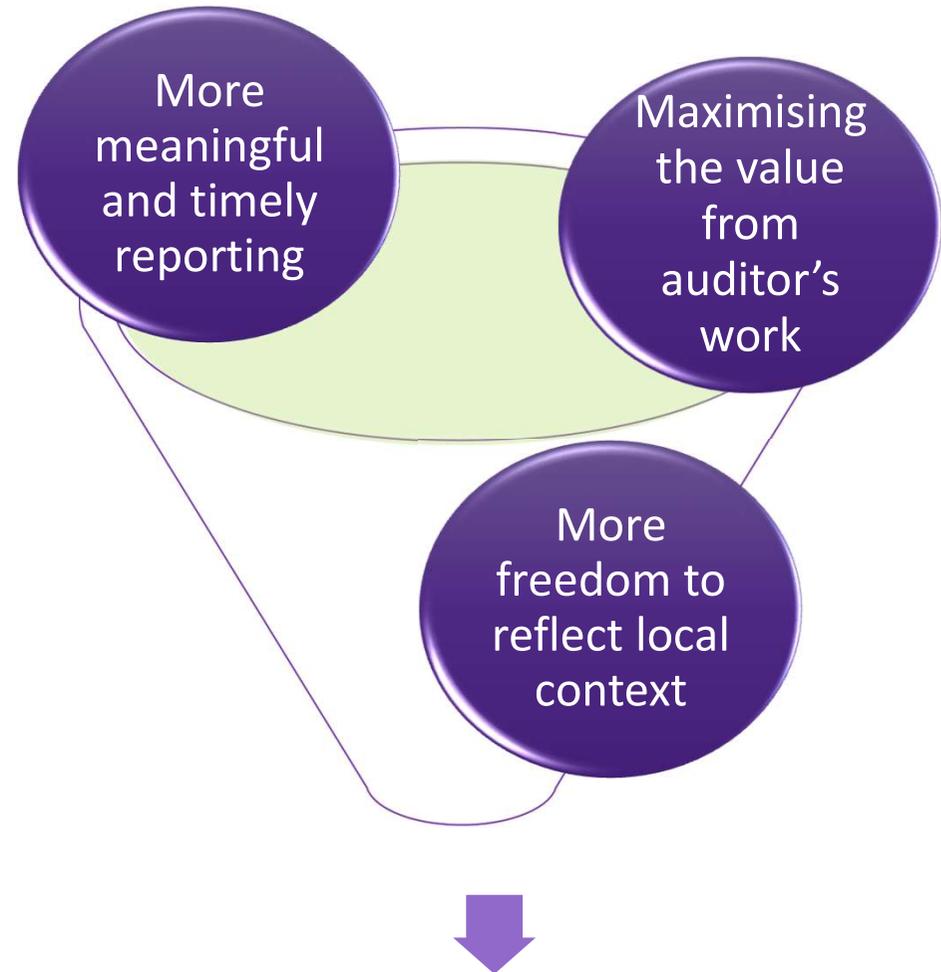
- monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- approaches and carries out its annual budget setting process;
- ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed;
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

The new approach to Value for Money

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services, including:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the body evaluates the services it provides to assess performance and identify areas for improvement;
- how the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve; and
- where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.



VFM arrangements commentary and recommendations

The new approach to Value for Money

The table below details what will be reported in the Auditor’s Annual Report:

Section of report	Content
Commentary on arrangements	An explanation of the VFM work that has been undertaken during the year, including the risk assessment and any further risk-based work. It will also highlight any significant weaknesses that have been identified and brought to the body’s attention. The commentary will allow auditors to better reflect local context and draw attention to emerging or developing issues which may not represent significant weaknesses, but which may nevertheless require attention from the body itself.
Recommendations	Where an auditor concludes that there is a significant weakness in a body’s arrangements, they report this to the body and support it with a recommendation for improvement.
Progress in implementing recommendations	Where an auditor has reported significant weaknesses in arrangements in the previous year, the auditor should follow up recommendations issued previously and include their view as to whether the recommendations have been implemented satisfactorily.
Use of additional powers	Where an auditor uses additional powers, such as making statutory recommendations or issuing a public interest report, this should be reported in the auditor’s annual report.
Opinion on the financial statements	The auditor’s annual report also needs to summarise the results of the auditor’s work on the financial statements.

The table below details the three types of recommendations that auditors can make. Auditors may make recommendations at any time during the year.

Type of recommendation	Definition
Statutory recommendation	Where auditors make written recommendations to the body under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014. A recommendation of this type requires the body to discuss and respond publicly to the report.
Key recommendation	Where auditors identify significant weaknesses in a body’s arrangements for securing value for money, they have to make recommendations setting out the actions that the body should take to address them
Improvement recommendation	Where auditors do not identify a significant weakness in the body’s arrangements, but still wish to make recommendations about how the body’s arrangements can be improved

Revised auditing standard: Auditing Accounting Estimates and Related Disclosures

In the period December 2018 to January 2020 the Financial Reporting Council issued a number of updated International Auditing Standards (ISAs (UK)) which are effective for audits of financial statements for periods beginning on or after 15 December 2019. ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* includes significant enhancements in respect of the audit risk assessment process for accounting estimates.

Introduction

Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?

Additional information that will be required for our March 2021 audits

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2021 in all areas summarised above for all material accounting estimates that are included in the financial statements.

Based on our knowledge of the Authority we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings, council dwellings and investment properties
- Depreciation
- Year end provisions and accruals
- Credit loss and impairment allowances
- Valuation of defined benefit net pension fund liabilities
- Fair value estimates
- Valuation of level 2 and level 3 financial instruments

The Authority's Information systems

In respect of the Authority's information systems we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

We are aware that the Authority uses management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- All accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- There are adequate controls in place at the Authority (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.

Estimation uncertainty

Under ISA (UK) 540 (Revised December 2018) we are required to consider the following:

- How management understands the degree of estimation uncertainty related to each accounting estimate; and
- How management addresses this estimation uncertainty when selecting their point estimate.

For example, how management identified and considered alternative methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

Where there is material estimation uncertainty, we would expect the financial statement disclosures to include:

- What the assumptions and uncertainties are;
- How sensitive the assets and liabilities are to those assumptions, and why;
- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and
- An explanation of any changes made to past assumptions if the uncertainty is unresolved.

How can you help?

As part of our planning risk assessment procedures we routinely make a number of enquiries of management and those charged with governance, which include general enquiries, fraud risk assessment questions, going concern considerations etc. Responses to these enquires are completed by management and confirmed by those charged with governance at an Audit Committee meeting. For our 2020-21 audit we will be making additional enquires on your accounting estimates in a similar way (which will cover the areas highlighted above). We would appreciate a prompt response to these enquires in due course.

Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540_Revised-December-2018_final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf)

Insight into accounting for grants in local government financial statements – Grant Thornton

The government has provided a range of financial support packages throughout the COVID-19 pandemic.

We have issued a brief bulletin aimed at helping local government bodies identify the key things they should consider when determining the accounting treatment for these grants in their financial statements for 2020/21.

There are no changes to the accounting treatment for grants as required by the CIPFA Code of Practice on Local Authority Accounting. What has changed, is the extent of additional funding to support the cost of services, to offset other income losses along with grant packages to be paid out to support local business. Local authorities need to consider the nature and terms of the various COVID-19 measures in order to determine whether there is income and expenditure to be recognised in the Comprehensive Income and Expenditure Statement in 2020/21.

The report highlights the factors to consider, including:

- Where the funding is to be transferred to other parties, is the authority acting as principal or as agent?
- Are there grant conditions outstanding?
- Is the grant a specific or non-specific grant?

Our bulletin provides you with links to further information on the various support packages and summarises features that may be relevant to your judgements as you determine the appropriate accounting treatment.

Local authorities need to demonstrate their judgements on the accounting treatment to be reasonable and soundly based and, where these have a significant effect on the accounts, to ensure they include sufficient disclosures to meet the requirements of IAS 1:122.

Please ask your audit manager for the full report:



Local government finance in the pandemic – National Audit Office

The National Audit Office (NAO) report, published in March, notes “The COVID-19 pandemic has been an unprecedented public health and economic emergency. Local authorities in England have made a major contribution to the national response to the pandemic, working to protect local communities and businesses, while continuing to deliver existing services. The pandemic has in turn placed significant pressure on local authorities’ finances, which in many cases were already under strain going into the pandemic.”

The NAO report examines if the Department’s approach to local government finance in the COVID-19 pandemic enabled it to assess and fund the costs of new services which local authorities have been asked to deliver. It also examines whether the Department fulfilled its responsibilities in securing financial sustainability across the sector.

The NAO report concludes “Steps taken by the government, led by the Department, have supported local authorities in the COVID-19 pandemic response. The Department’s successful monthly collection of data and continued intensive engagement with the sector provided a good evidence base to underpin the financial and other support provided by government. Action by the Department and wider government to support the sector has averted system-wide financial failure at a very challenging time and means that the Department has managed the most severe risks to value for money in the short term.

However, the financial position of local government remains a cause for concern. Many authorities will be relying on reserves to balance their 2020-21 year-end budgets. Despite continuing support into 2021-22 the outlook for next year is uncertain. Many authorities are setting budgets for 2021-22 in which they have limited confidence, and which are balanced through cuts to service budgets and the use of reserves.”

The NAO report found that “the combined impact on spending and non-tax income in 2020-21 is £9.7bn – equivalent to 17.6% of revenue expenditure. So far the government has announced £9.1bn of financial support, leaving a deficit of £605m.”



The full report can be obtained from the NAO website:

[Local government finance in the pandemic - National Audit Office \(NAO\) Report](#)

Good practice in annual reporting – National Audit Office

The National Audit Office (NAO) state that the guide, launched in February, “Sets out our good practice principles for good annual reporting and provides illustrative examples taken from public sector organisations who are leading the way in this area.

The guide draws on examples of good practice from within each of the six sections of an Annual Report:

- Strategy
- Risk
- Operations
- Governance
- Measures of success
- Financial performance

The NAO also state that the guide “provides further examples where bodies have made their context more understandable to the reader through use of graphics and clear language and signposting.”

However, The NAO observe “Done well, reporting in the public sector enables the public and Parliament to understand – with ease and confidence – an organisation’s strategy and the risks it faces, how much taxpayers’ money has been spent and on what, and what has been achieved as a result.”

Further, the NAO note “The significant impacts of the pandemic emerged in the UK in mid-March 2020. This means that, for many organisations, the reporting impact will be greater in 2020-21 than in the prior year. Transparent annual reporting will help stakeholders understand the impact of COVID-19 on an organisation’s strategy, plans and operational and financial performance.”



The full report can be obtained from the NAO website:

<https://www.nao.org.uk/report/good-practice-in-annual-reports-february-2021/>

2019-20 audited accounts – Public Sector Audit Appointments

In December 2020 Public Sector Audit Appointments (PSAA) published figures relating to the audit of 2019/20 local authority financial statements.

PSAA report “Audit arrangements in local councils, police, fire and other local government bodies are continuing to exhibit signs of stress and difficulty. In the latest audit round, focusing on 2019/20 financial statements and value for money arrangements, fewer than 50% of bodies’ audits were completed by the revised target of 30 November.

Figures compiled by PSAA, the organisation responsible for appointing auditors to 478 local bodies, reveal that 55% (265) of audit opinions were not issued by 30 November. This is a further deterioration on 2018/19 audits when 43% of opinions (210 out of 486) were delayed beyond the then target timetable of 31 July.

This year’s timetable has been deliberately eased by Ministers in recognition of the underlying pressures on the audit process and the significant added complications arising from the Covid-19 pandemic. The pandemic has posed practical challenges for bodies in producing accounts and working papers, and for auditors to carry out their testing. Both sets of staff have had to work remotely throughout the period, and the second national lockdown came at a critical point in the cycle.

Questions and concerns about the potential implications of the pandemic for some bodies have meant that both finance staff and auditors have needed to pay particular attention to the financial position of each entity. Additionally, following a series of increasingly challenging regulatory reviews, auditors have arguably been more focused than ever on their professional duty to give their opinion only when they are satisfied that they have sufficient assurance.”



The news article can be found here:

[News release: 2019/20 audited accounts – PSAA](#)

CIPFA Financial Resilience Index

The Chartered Institute of Public Finance & Accountancy's (CIPFA) Financial Resilience Index is a comparative tool designed to provide analysis on resilience and risk and support good financial management.

CIPFA note "CIPFA's Financial Resilience Index is a comparative analytical tool that may be used by Chief Financial Officers to support good financial management, providing a common understanding within a council of their financial position.

The Index shows a council's position on a range of measures associated with financial risk. The selection of indicators has been informed by extensive financial resilience work undertaken by CIPFA over the past five seven years, public consultation and technical stakeholder engagement.

Section 151 officers may also use the index in their annual report to the council setting out the proposed budget for the year and medium-term financial strategy.

While the impact of COVID-19 resulted in a delay to the publication of the index, it is still able to provide a comprehensive pre-COVID baseline, illustrating the financial resilience of authorities as they entered the pandemic."

CIPFA found that "there was a real-terms reduction of £800m in the level of reserves in 2020 compared with the previous year. At the end of March 2020 council reserves levels stood at £24.6bn, around 3% lower than £25.4bn recorded at the same period in 2019."

CIPFA note "The index is made up of a set of indicators. These indicators take publicly available data and compare similar authorities across a range of factors. There is no single overall indicator of financial risk, so the index instead highlights areas where additional scrutiny should take place in order to provide additional assurance. This additional scrutiny should be accompanied by a narrative to place the indicator into context."



The Financial Resilience tool is available on the CIPFA website below:

<https://www.cipfa.org/services/financial-resilience-index-2021?crdm=0>



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