

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

THURSDAY, 8TH JULY, 2021

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER, CIVIC OFFICE on THURSDAY, 8TH JULY, 2021, at 1.00 pm.

PRESENT:

Chair - Councillor Austen White
Vice-Chair - Councillor Glenn Bluff

Councillors Barry Johnson, Sophie Liu and Dave Shaw.

APOLOGIES:

An apology for absence was received from Kathryn Smart, Co-opted Member.

1 DECLARATIONS OF INTEREST, IF ANY

No declarations were reported at the meeting.

2 MINUTES OF THE MEETING HELD ON 29TH APRIL 2021

RESOLVED that the minutes of the meeting held on 29th April, 2021, be approved as a correct record and signed by the Chair.

3 AUDIT COMMITTEE ACTION LOG

The Committee considered the Audit Committee Action Log report, which updated members on the actions agreed during Audit Committee meetings. Members were advised that all actions were progressing well. The log attached to the report showed details relating to six actions requested in the April 2021 meeting and there were no actions outstanding from earlier meetings.

It was noted that three actions were complete and the remaining three are scheduled for completion at the October meeting of the Audit Committee.

RESOLVED that Committee noted the progress made against the actions agreed at the previous committee meetings.

4 ANNUAL REPORT OF THE MONITORING OFFICER

Scott Fawcus, Monitoring Officer presented his Annual report on matters relating to ethical governance, including details of complaint handling activity carried out in consultation with the Independent Person in relation to allegations of Member misconduct, details of disclosures made under the Council's Whistleblowing Policy during the last 12 months, and reports under the Money Laundering Policy.

As Members were aware, at its AGM on the 21st May 2021, the Council resolved to adopt the new LGA Model Code of Conduct, which was drafted following

recommendations by the Committee, On Standards in Public Life. Following adoption by DMBC, the Monitoring Officer stated that he had written to all Parish and Town Council Clerks across Doncaster encouraging them to sign-up to the new Code and offering assistance to Clerks.

The Monitoring Officer reported that he had a statutory responsibility to consider matters in relation to potential breaches of the Member Code of Conduct in relation to Borough Councillors and Parish and Town Councils across the Borough. He was pleased to report that the levels of complaints received and most importantly, the number of actual breaches remain very low.

Clarity was sought with regard to whether Elected Members were covered by the Policy in the same way as Stakeholders. The Monitoring Officer advised that Elected Members were covered like any other Member of the Public. However stated that he would review and if not already covered, reference to Elected Members could be included.

The Chair made reference to paragraph 9 of the report, in relation to Town and Parish Councillors not being on the Monitoring Officers radar. However, highlighted that the proposed changes never received parliamentary time. He asked whether there had been any progress on this issue. The Monitoring Officer advised that to date no progress had been made and the 2011 sanctions remain in place. He commented that as Members are aware, complaints come to the Audit Hearing Sub-Committee who impose sanctions for breaches of the code of conduct, which are relatively limited. He stated that more sanctions may be useful in some cases however, most breaches are of a low level and if a Member is prepared to apologise no further action is required.

With regard to the revised Code, the Chair asked whether there had been any changes in conduct noted and whether sign up to the new code had been positive. The Monitoring Officer advised members that he would be writing to all clerks seeking an update with regard to take up, so far Askern Town Council had signed up. He commented that the biggest change would be social media activity where an increase of interaction had been seen from members in recent times, combining that with the difficult 18 months and recent elections political tensions can rise.

In light of promoting the Whistle blowing policy and only receiving one complaint, it was asked whether the Monitoring Officer was satisfied with the level of awareness of the Policy. The Monitoring Officer advised that an update has been carried out through the intranet, so anyone who is a user, reference to the Policy appears on screen, which has increased awareness. He stated that there are other ways of raising complaints, if the Whistle Blowing Policy is not appropriate.

A comment was made regarding the Whistleblowing Policy also applying to third parties and vendors and clarification was sought, as to how this was communicated to them and how they engage with the Council. The Monitoring Officer stated that the Policy would be included within the tendering contract. However, third party organisations should be reminded of the requirement.

In response to a question with regard to the completion of Register of Interests forms. The Monitoring Officer reported that with regard to DMBC Councillors, forms have been looked at individually and the process has been relatively straight forward. Work is still continuing on the many Parish Council registers. He stressed that it was

important to remind Councillors along with Parish Council's on an annual basis that they must complete an amendment form for any changes to their registers.

Clarity was sought in relation to complaints under the Whistle Blowing Policy and whether it was taken as read that the complaint would be dealt with under that process or through a different process and at what point would that be identified. The Monitoring Officer explained that an initial assessment would be carried out and this would identify whether the complaint should be dealt with under the Policy or via another means. However, he wished to ensure Members that whatever process was followed, the complaint would be fully investigated and the process would not be at a disadvantage because the complaint was being carried out differently.

RESOLVED that Committee:-

- (1) Noted the Monitoring Officer's annual report on complaint handling activity for the period 1st April, 2020 to 31st March, 2021;
- (2) Noted the Whistleblowing return for 2020/21; and
- (3) Noted the nil money laundering report for 2020/2021

5 UNAUDITED STATEMENT OF ACCOUNTS 2020/21

Prior to the discussion on the report, the Chair and Members wished to express their thanks to all staff who had worked on the preparation of the draft accounts.

The Committee received a report, which presented the Council's unaudited Statement of Accounts for the 2020/21 financial year. The report highlighted the overall financial position for the year and information on performance including improvements achieved in accuracy and quality. It was advised that the accounts had been published on the Council's website and to date no enquires had been received. Officers stated that it was positive that the accounts had been completed at this early stage and reminded members that the Council completed the 2019/20 accounts by the deadline, unlike a number of other Councils. It was also noted that the Council had received an unqualified response from the Council's external auditors Grant Thornton last year.

The Committee asked a number of questions as follows:-

The Chair asked in terms of Government Grants detailed within paragraph 23(d) of the report had any problems arisen through Internal Audit discussion. In response, it was reported that a lot of work had been done in the area, primarily in relation to business rates. As Committee were aware, the annual report presented a positive low incidence of fraud in January and since that, time there has been minimal problems identified. With regard to wider grants, it was advised that ongoing assessments were being undertaken in order to establish whether further detailed audit was required and no areas had been identified through this process at present.

Clarification was sought on the Councils position and whether it was clearer in terms of lost income, increased cost due to Covid and the position with regard to reimbursements from Central Government. In response, it was reported that, in terms of 2020/21, included in the accounts was all the Government money in terms of COVID, which details £166m additional grants from Government, included in that are

grants and reliefs provided to businesses. It was also noted that the outturn position and lost income in the collection fund position were also included.

It was reported that moving forward into 2021/22, it was advised that officers were monitoring the position very closely. Business rates and Council Tax are monitored in terms of the impact on those on a monthly basis and this will be reported through the quarter one report.

With regard to other income, it was advised that the Council will receive reimbursements for sales, fees and charges losses due to COVID for the first quarter. Officers will carry out a monitoring return and send to the MHCLG and the Council will receive reimbursement adjusted for 5% of the budget, the Council will receive 75% of the remaining loss. It was advised that officers were also closely monitoring other income streams such as car parking and income from the Herten Triangle and properties around the cinema, which will also be fed into the budget moving forward.

The Council also received for 2021/22 the fifth Tranche of the COVID emergency funding, equating to £9.8m of additional funding, which is also available to fund any further shortfalls in income. It was advised that there are a number of other grants and as the year progresses they continue to be extended such as the Local Support Grant and Infection, Prevention and Control, which have both been extended and officers are monitoring that closely as we proceed through the year.

Officers were asked if there were any instances where the Council had been expecting or promised funding from Government that were COVID related, that have not been received. In response, the Committee were assured that there were no instances of this.

In terms of the various grants received, it was asked whether there was any risk that it was likely to be any clawback for any reason. In response, it was reported that in terms of clawback, majority of the grants received do have requirements attached and the Council ensures that those requirements are met, reducing the risk of clawback or losing the grant funding.

Officers went on to state, that with regard to confidence about the application of previous monies the Council had received. As part of the Annual Governance Statement received at the last meeting, the work undertaken by Internal Audit and, the assessment officers have undertaken as part of arriving at that statement. Whilst there have been a lot of emergency decisions taken, reported also to Full Council, the speed at which the Council has had to respond, the Council has still maintained integrity of the governance arrangements and this was positively reported to Full Council.

The Committee were advised that going forward, it's been illustrated the complexity of the range of funding available to the Council and to some extent this was continuing. Whilst some may think, the Pandemic is reaching an end, the Council are still receiving funding albeit in a more organised approach with early notification, which ensures that decisions are made through the normal governance process. However, it was noted that there were still a lot of decisions that required a rapid application and the resources need to be committed for the current financial year. These were decisions that have been processed through the Rule 16 Special Urgency Provisions, which have been taken and signed both, by Mayor Ros Jones and the Chair of Overview and Scrutiny Management Committee.

Further to this and the impact going forward in terms of 2021/22, it was reported, that based on last year, the organisation has been managed really well. As stated previously, the Council received £166m of additional funding, which equates to a third larger organisation. It was noted that those resources of funding spanned over 30 different types of service delivery. The Council structured an arrangement in order to utilise them and delivered them within a year. Committee were advised that looking back to the report, there had been a need for some of those resources to be carried forward, which provides an explanation for some of the assets that have increased. It was important to note that the Council will still have quite a volatile arrangement going into 2021/22, its' still receiving resources, there was still a lot of work to be carried out in terms of responding to the response phase and recovery phase of COVID and there is still business as usual to be delivered. Members were advised that 2021/22 will, still be really challenging for the Council. However, reflecting back, officers felt that this was a good report in terms of the year the Council has had and how its' been managed.

Further questions in relation to the report had been submitted in writing by Kathryn Smart, Co-opted Member on the Committee who unfortunately was unable to attend the meeting. It was agreed by the Chair and Members, that Kathryn receive a written response to her questions following the meeting.

RESOLVED the 2020/21 Statement of Accounts be noted.

6 AUDIT COMMITTEE PROSPECTUS, TERMS OF REFERENCE AND WORK PROGRAMME 2021/22

Committee received a report on the Audit Committees Prospectus, Terms of Reference and Work Programme 2021/22.

The prospectus sets out the scope and standards applicable to the Audit Committee, and shows how these and the Terms of Reference enable the Committee to comply with Local Government Audit Committee standards and the Council's requirements of the Committee.

It was noted that the prospectus also included a draft work programme, which demonstrated how the Committee fulfils its Terms of Reference for the year. It also schedules an indicative programme of training and awareness sessions for Audit Committee Members.

The Chair highlighted paragraph 13 of the report and stated that Members would never stop learning and welcomed the training and briefings. In terms of the programme being reviewed, he asked whether items could be added as the year progresses. In response, Members were advised, that if any issues arose, then the work programme could be flexed to meet the Committees requirements.

RESOLVED that:-

- (1) the prospectus setting out the Audit Committee's scope, standards and work programme for the year be agreed; and
- (2) the unchanged Terms of Reference for the Audit Committee for 2021/22 Municipal Year be noted.

CHAIR: _____

DATE: _____