



Doncaster Council

Agenda

To all Members of the

AUDIT COMMITTEE

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

Venue: Council Chamber, Civic Office, Waterdale, Doncaster DN1 3BU,

Date: Thursday, 28th April, 2022

Time: 10.00 am

Please Note: For those who are attending the meeting, please bring a face covering, unless you are exempt (face coverings can be removed once seated in the Chamber).

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Damian Allen
Chief Executive

Issued on: Wednesday, 20 April 2022

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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1. Apologies for Absence	
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 Glenn Bluff

Councillor Barry Johnson, Sophie Liu and Dave Shaw

Co-opted Member: Kathryn Smart

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

WEDNESDAY, 26TH JANUARY, 2022

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER, CIVIC OFFICE, WATERDALE, DONCASTER DN1 3BU, on WEDNESDAY, 26TH JANUARY, 2022, at 10.00 am.

PRESENT:

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

Councillors Barry Johnson and Dave Shaw.

APOLOGIES:

Apologies for absence were received from Councillors Sophie Liu and from Co-Opted Member, Kathryn Smart.

Also in Attendance:

Debbie Hogg – Director of Corporate Resources
Scott Cardwell – Assistant Director of Development
Scott Fawcus – Monitoring Officer
Peter Jackson – Head of Internal Audit
Helen Potts – Principal Legal Officer
Dab Swaine – Director of Economy & Environment
Dave Stimpson – Head of Service, Property
Kellie Hopkins – Assistant Director of Environment
Nasir Dad – Head of Regulation & Enforcement
Dave Webster – Head of Internal Audit, RMBC
Julie Crook – Director of Corporate Services, SLHD
Trevor Mason – Chair of SLHD Audit Committee

32 Declarations of Interest, if any

There were no declarations made at the meeting.

33 Minutes of the meeting held on 26th November 2021.

RESOLVED that the minutes of the meeting held on 26 November, 2021 be approved as a true record and signed by the Chair.

34 Audit Committee Action Log.

The Committee considered a report that updated Members on actions agreed during previous audit committees.

Members noted that one action had been completed. The only remaining item was scheduled to be considered at the April 2022 meeting of the Audit Committee and would be then removed from the log.

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

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

The Audit Committee were presented with the update report on Covert Surveillance – Regulation of Investigatory Powers Act 200 (RIPA). The update report is received 6-monthly by the Committee in order that they can review the Council’s use of surveillance and ensure that it is only being used where it is proper and correct to do so.

The report informed the Committee that there had been just one surveillance application authorised since the last report to Audit Committee in July 2021, and related to illicit sales of with the surveillance carried out by Trading Standards. Members noted that information obtained as a result, would be reviewed and any appropriate action taken.

The report also detailed the anticipated inspection by the Investigatory Powers Commissioners Officer. The last inspection had taken place in March 2019, and therefore another one was due shortly. Communication had been received from the Inspectors Office and a virtual meeting had been arranged to discuss the papers that had been submitted and it was envisaged that the inspection would also be held virtually. The Principal Legal Officer outlined that she was confident that all processes were followed properly, all the required measures were in place, and it was hoped that they would be satisfied with the information already provided.

RESOLVED that:

- 1) The Audit Committee note that the Council has had one surveillance application authorised under RIPA since the last report to the Audit Committee on 29 July, 2021; and
- 2) The Audit Committee note that the Investigatory Powers Commissioners Office had contacted the Chief Executive in November 2021 to discuss the arrangement of an inspection. The date for this has yet to be confirmed.

36 External Quality Assessment of the Council's Internal Audit Service.

The Committee was asked to consider the External Quality Assessment report of the Council’s Internal Audit Service, which had been undertaken by the Head of Internal Audit at Rotherham Council, David Webster, who was in attendance at the meeting to present his report to the Committee.

The report confirmed that the assessment confirmed that Doncaster had received the highest of the three possible ratings against conformance with the United Kingdom Public Sector Internal Audit Standards and Code of Ethics. ‘Generally Conforms’ which meant that Doncaster’s Audit arrangements were judged to be in conformance with standards. This assessment allows Doncaster Council and St Leger Homes to have confidence that the service is professionally competent to meet their internal audit needs.

Members noted that there had been some recommendations within the report, but these were purely suggestions for improvement and nothing that was deemed necessary. Officers however, informed members that they would be provided with full details of these once the action plan had been completed.

The Chief Executive, Damian Allen was in attendance at the meeting, and conveyed his thanks to David Webster for his diligence and insight, as did the Chair, Councillor Austen White, on behalf of the Audit Committee.

RESOLVED that the Audit Committee note the contents of the assessment and approve the action plan.

37 Internal Audit Progress Report for the period: October 2021 to December 2021.

The Committee were presented with a report that providing an update on the work undertaken by Internal Audit for the period of September to December 2021.

The report considered, was broken down into four sections as follows, which the Head of Internal Audit talked on individually:-

- The Audit Plan / Revisions to the Plan
- Audit Work Undertaken during the period
- Implementation of Management Actions arising from Audit recommendations; and
- Internal Audit Performance

The Committee was updated on the work undertaken during the period, and Members noted the areas that had been covered.

The main focus of discussion however, centred on Section 3 of the report, particularly in relation to Trading Standards and Food and Animal Safety and Officers from the Directorate attended to clarify the position and respond to Members concerns. The Director of Economy and Environment, Dan Swaine, responded to Members following the course of the discussions as there was widespread opinion voiced by the Committee that improvements were not being made quickly enough. However, assurances were given that this would not be so moving forward and looked to instil confidence that things were in the process of changing. Whilst the environment that teams had been working in was very different for the best part of two years, new working practices had now been put into place, and clear actions set out for moving forward.

A lengthy discussion continued as Members shared the same concerns and they felt clarity was needed as to the timescales expected for improvements to be made, by who and when. Members accepted that whilst Covid had made the normal working practices more difficult, they now had to make to improvements and officers were explicit in their response that these were in hand and whilst they were challenging, the work was being done to implement the actions.

RESOLVED that

- 1) The Audit Committee note the content of the Internal Audit Plan;
- 2) The internal audit work completed in the period be noted;
- 3) The position with regard to the implementation of management actions arising from Internal Audit Recommendations be noted;
- 4) The current position regarding the ability to deliver the annual opinion over the Council's risk, governance and control arrangements be noted; and

- 5) The Corporate Director of Environment and Economy to develop a detailed action plan setting out the actions taken, responsible officer and agreed deadlines and provide this on a monthly basis.

38 Progress Report on North Bridge Stores Transformation Project.

A report was provided to Members with regard to progress made on the North Bridge Stores Transformation Project. Scott Cardwell, Assistant Director Development and Dave Stimpson, Head of Service attended the meeting in order to update Members as to the current position and alleviate any further concerns.

Members noted this was the third update that had been provided to the Committee and progress had been made since the last report. New operating procedures were now in place, and big improvements had been made across the board, with particular emphasis on the stock take with a more positive outcome from the September stocktake.

A customer satisfaction survey had been carried out at the request of the Audit Committee and this had proven to be successful and had formed a good starting point on which to make further improvements. Staff development was ongoing with training and recruitment and they had placed emphasis on ensuring they had the right staff in the right places. However, now they were looking to move forward to 'business as usual' and make further improvements as the plans settled into place and the Audit Committee would be provided with a further update at their next meeting, which would also provide performance information through the service's Key Performance Indicators.

Members were reassured by the progress made, and they acknowledged there had been a lot of work done on this outstanding issue in order to ensure progress was made. The Committee raised the potential of undertaking a site visit to the North Bridge Stores in order to witness first-hand the work that had been carried out and give their support to the service who had been committed to making improvements.

RESOLVED that

- 1) The Audit Committee note the updated report and support the outlined approach.

CHAIR: _____

DATE: _____



Doncaster Council

Report

28th April 2022

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 complete. There are no actions outstanding from earlier meetings.

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 Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	

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

RISKS AND ASSUMPTIONS

9. The 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 [Initials: SRF Date:31.03.22]

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 [Initials: RLI Date:06.04.22]

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

HUMAN RESOURCES IMPLICATIONS [Initials: SH Date: 05.04.22]

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

TECHNOLOGY IMPLICATIONS [Initials: NR Date:31.03.22]

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

EQUALITY IMPLICATIONS [Initials: PRJ Date:30.03.22]

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 [Initials: RS Date:31.03.22]

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

18. 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 – 28th APRIL 2022

Follow-up actions from previous meetings:-

Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Meeting 26th January 2022			
<p>External Quality Assessment of the Council's Internal Audit Service Audit Committee Members were informed that they would be provided with full details of all the agreed actions from the review including those from the self assessment carried out by the Head of Internal Audit</p>	<p>The full Improvement Plan was provided to members of the Audit Committee on 30th March 2022</p>	<p>Peter Jackson</p>	<p>Y- Information provided on 30th March 2022</p>
<p>Internal Audit Progress Report - Review of Process for Agreeing Revised Dates for Management Actions Members requested the Head of Internal Audit reviewed arrangements for agreeing date revisions.</p>	<p>The Head Of Internal Audit has made the following changes as set out to Audit Committee members on 18th February 2022. Currently, the Assistant Director must agree date approvals and this works well on most occasions. However, when it is clear that implementation of these actions is proving problematic then future date revisions will be approved by the Director and escalated to the Chief Executive when necessary.</p>	<p>Peter Jackson</p>	<p>Y – Arrangements reviewed and put in place 18th February 2022.</p>
<p>North Bridge Stores Transformation Project - Plastic kerbs Members requested further information on the Council's use of</p>	<p>This information was provided to Audit Committee members on 18th February 2022.</p>	<p>Dave Stimpson</p>	<p>Y – Information provided on 18th February 2022.</p>

Minute/ Action	Progress update	Responsible Officer	Completed (Y/N)
Meeting 28th October 2021			
<p>Breaches and Waivers to the Council's Contract Procedure Rules – The Head of Procurement was requested to provide details in terms of an indication as to what new waivers were coming into the system and what is in the current system for the next reporting period; as to whether waivers had reduced or had continued to increase</p>	<p>Information requested has been provided within the next report at April's Audit Committee meeting.</p>	<p>Holly Wilson</p>	<p>Y – Information provided within report for 28th April 2022 Audit Committee meeting.</p>



Doncaster Council

Date: 28th April 2022

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

ANNUAL REPORT OF MONITORING OFFICER

EXECUTIVE SUMMARY

1. This paper sets out the Monitoring Officer's (MO's) Annual Report on matters relating to ethical governance, including details of any 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 any reports under the Money Laundering Policy.

RECOMMENDATIONS

2. It is recommended that the Committee:-
 - (i) notes the MO's annual report on complaint handling activity for the period 1st April 2021 to 31st March 2022;
 - (ii) notes the whistleblowing return for 2021/22; and
 - (iii) notes the nil money laundering reports for 2021/2022.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

3. Having robust ethical governance policies and procedures in place helps to maintain openness, transparency and probity in the way in which the Council conducts its business. This in turn should help increase public confidence in local governance through maintaining high standards of conduct by Members and Officers.

BACKGROUND

4. The Monitoring Officer has the specific duty to ensure that the Council, its officers, and its Elected Councillors, maintain the highest standards of conduct in all they do. The main duties of the Monitoring Officer are set out below. The Monitoring Officer's legal basis is found in Section 5 of the Local Government and Housing Act 1989 (as amended).

The Monitoring Officer has three main roles:

1. To report on matters he/she believes are, or are likely to be, illegal or amount to maladministration;
2. To be responsible for matters relating to the conduct of Councillors and officers; and
3. To be responsible for the operation of our Constitution.

In accordance with adopted practice, this committee receives a report by the MO on an annual basis, which summarises complaint handling and ethical governance activities during the previous 12 months.

Councillor Complaint Handling Activity – 1st April 2021 to 31st March 2022

5. The Monitoring Officer works closely with the Council's designated Independent Person (IP), Philip Beavers on matters of Member Behaviour and Complaints.
6. The Council's *Arrangements For Handling Complaints Regarding allegations of Member Misconduct* requires that all complaints are provided upon the Council's specified complaints form. In accordance with this process, the Monitoring Officer is only able to consider these formal complaints and it is those which are detailed within this report. Upon receipt of a formal complaint, the Monitoring Officer considers whether the complaint is a potential breach of the Council's Code of Conduct and consults with the Independent Person upon its contents. In consultation with the Independent Person, the Monitoring Officer considers whether the allegations are serious enough to potentially warrant a formal investigation and potentially a hearing of the Audit Committee (Standards Hearing) Sub-Committee. Since the law changed in 2011 that sub-committee has met on only two occasions. Wherever possible the Monitoring Officer will seek an alternative form of resolution, most usually an apology.

Revised Code of Conduct & Revised Complaints Handling Procedure

7. This is the first report detailing complaints since Full Council agreed to adopt the new LGA Model Code of Conduct at the Council meeting held on 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. Significant training has been provided to DMBC Councillors on the provisions of the new Code and all Councillors have attended that training.
The new Code remains based upon the Nolan Principles and aims to be a national code adopted by all tiers of Local Government. Members attended briefing sessions prior to adopting the Code and further training currently is being provided to all Doncaster MBC Councillors.

Work continues to encourage Doncaster's Town & Parish Councils to follow suit and adopt the revised code and at the time of writing 26 of the 37 Councils in Doncaster have done so.

Borough Councillors

8. During the period since my last report, **eight** individual complaints have been received in relation to Borough Councillors, although two were subsequently withdrawn by the complainants and so were not considered further. The six remaining complaints were not found to be a breach of the Code although an advisory letter was sent in relation to one complaint. Complainants were advised of the outcome on each occasion.
9. Eight complaints were received in the previous year so members will note that complaint activity has remained unchanged. It is to be expected that a number of complaints will be received post-election and complaint activity nationally is noted to have risen post-covid. Most complaints received do not constitute a breach of the Code of Conduct and are mainly a dissatisfaction with the outcome of a decision or a policy position. Such matters do not fall within the purview of the Code and complaints are responded to accordingly.

Parish & Town Councillors

10. The Monitoring Officer has received **12** complaints against Parish & Town Councillors during the period 1st April 2021 to 31st March 2022. This is an increase on the 9 complaints received in the previous 12 months. **Three** complaints received were considered to potentially be breaches of the Code of Conduct. However they were considered to be minor in nature and whilst an advisory letter was issued to the subject member no further action was considered necessary. On all occasions, the complainants were notified as to the conclusions reached. Of the **12** complaints received **9** are related to one particular Council and are reflective of the fall-out, tensions and dissatisfactions regarding a decision which was taken by that Parish Council which was locally controversial. The Code concentrates on behavioural matters and compliance with the Nolan Principles of Public Life, it does not consider policy differences or disagreements on decisions taken.
11. On a final positive note, I would reiterate my annual comments made that the levels of complaints received and most importantly the number of actual breaches remain very low, and most Councillors and most Town & Parish Councils in Doncaster do not appear on my radar and that point should be noted by the Committee. To put that in context there are 37 Town & Parish Councils across Doncaster and over 350 serving Councillors across Doncaster so the amounts of complaints received remains proportionately extremely low.
12. A detailed summary of all complaints dealt with by the MO in consultation with the Independent Person during the 2021/22 Municipal Year is set out in **Appendix A** to this report.

Whistleblowing Returns for 2021/22

13. The MO has overall responsibility for the maintenance and operation of the

Whistleblowing Policy, which includes keeping a record of all whistleblowing cases and presenting a summary of these to the Audit Committee on an annual basis.

14. The Whistleblowing policy was revised in February 2018. This applied the policy to members of the public, stakeholders, and contractors as well as employees. Whistle blowers are asked to report their concerns to named senior officers. This ensured that senior management were aware of any matters and that the correct processes were followed and reported to the Monitoring Officer for the annual report. Not all complaints received are whistle-blowing reports, even where the complainant has cited them as such. In accordance with the Council’s Whistleblowing policy, complaints are assessed and either dealt with as Whistleblowing complaints or otherwise referred to the Council’s Corporate Complaints process and investigated as part of that process.

15. The policy states as follows :-

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

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

9.1 (you will be advised if it is considered that the matter falls within the grievance or complaints or another procedure - the decision whether it falls outside of the whistleblowing procedure will be done in consultation with the Monitoring Officer and Assistant Director of Human Resources, Communications and Executive Office).

16. In accordance with its policy the Council considered one whistleblowing complaint as detailed below.

Date	Name of officer reported to	Brief Summary of Matter	Outcome
10 th January 2022	Monitoring Officer	Concern over use of agency staff by DMBC	Complainant asked for contact details of DMBC External Auditor. Details provided together with a response to questions asked by complainant
2 nd March 2022	Chief Financial Officer	Concern over a contractors use of Covid “furlough funding”	Investigations continuing by DMBC staff & assurance checks carried out

Anti- Money Laundering Returns for 2021/22

17. Money laundering is the method by which cash or funds obtained illegally are passed or “laundered” through financial systems to disguise their criminal origin. The “laundered” funds can then be used for legitimate transactions that do not arouse suspicion. The Council’s Anti-Money Laundering Policy has been revised due to changes in the law in 2017 and the revised Policy is presented to the Committee as a separate report today. Where an officer suspects (or knows) that money laundering activity is taking place it must be reported to the Money Laundering Reporting Officer, who is the Monitoring Officer, and obtain advice and permission to continue the transaction.
18. For the period April 2021 to March 2022 there have been no reports made to the Money Laundering Reporting Officer.

OPTIONS CONSIDERED AND REASONS FOR RECOMMENDED OPTION

- 19 Not applicable – this report is primarily for noting.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

- 20.

Outcomes	Implications
Connected Council: <ul style="list-style-type: none">• Working with our partners and residents to provide effective leadership and governance	The work of the Audit Committee in monitoring the Council’s ethical governance activities helps to: <ul style="list-style-type: none">• ensure that Council arrangements are open, accountable and ethically strong;• promote high standards of conduct;• build a ‘bond of trust’ between the Council and its communities.

RISKS AND ASSUMPTIONS

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

LEGAL IMPLICATIONS [Officer Initials...NC... Date...25/2/22]

22. Section 27(1) of the Localism Act 2011 places a duty on relevant authorities to promote and maintain high standards of conduct by Members and Co-opted Members of the authority.
23. Section 28 of the Localism Act 2011 requires Principal Authorities to have in place arrangements for investigating allegations of Member misconduct (both Members of the Council and Parish/Town Councils in the Borough) and taking decisions on those allegations. It also requires Councils to appoint at least one Independent Person who is to be consulted as part of the complaint handling process. The Council has in place arrangements for discharging these duties.

24. Whistleblowing protection for workers is provided in the Public Interest Disclosure Act 1998, incorporated into the Employment Rights Act 1996, and amended by the Enterprise and Regulatory Reform Act 2013. It gives protection from detrimental treatment of workers who disclose reasonable concerns about serious misconduct or malpractice at work. Workers are protected from detrimental treatment if their disclosure qualifies as a 'protected disclosure'. In order to ensure that they qualify for protection, the worker should follow a certain procedure as set out in our Policy.
25. The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 came into force on 26 June 2017. They implemented the EU's 4th Directive on Money Laundering and replaced earlier Regulations which were previously in force. Whilst the Regulations do not directly place specific responsibilities on local authorities in respect of money laundering, it is accepted best practice for the Council, as a guardian of public finances, to comply with the spirit of the legislation and put in place appropriate anti-money laundering safeguards.

FINANCIAL IMPLICATIONS

26. Financial implications were not requested in relation to this report.

HUMAN RESOURCES IMPLICATIONS [Officer Initials RH Date 20.02.22]

27. There are no specific HR implications in relation to the parts of this report which refer to complaints made against elected members and anti-money laundering returns.

Whistleblowing complaints which relate to the conduct of council employees are dealt with in line with the appropriate HR policy and procedure and any action taken, as appropriate, within the framework of the relevant policy.

EQUALITY IMPLICATIONS [Officer Initials...SRF... Date...25/06/21.]

28. There are no specific equalities implications associated with this report.

BACKGROUND PAPERS

Whistleblowing Policy
Code of Conduct
Anti-Money Laundering Policy

REPORT AUTHOR & CONTRIBUTORS

Scott Fawcus, Monitoring Officer
01302 734640
Scott.fawcus@doncaster.gov.uk

**Scott Fawcus
Monitoring Officer**

Summary of Member Code of Conduct Complaints Received in 2021/22

Date received/ Ref.	Complainant(s)	Subject Member/ Council	Details of Allegation(s)	Outcome
12/5/21	Member of Public	DMBC Councillor x 3	Failure to treat with respect	Outside of scope of code of conduct
15/5/21	Member of public	DMBC Councillor	Failure to treat with respect bullying	Complainant failed to provide sufficient evidence to take matter forward Signposted other agencies
PCH1 Hatfield	Hatfield Town Councillor	Hatfield Town Councillor	Failure to declare an interest	No breach found. Cllr did not have an interest so no breach
28/6/21 PCH2 Hatfield	Member of public	Hatfield Town Councillor	Failure to treat with respect	Breach found but of a minor nature. Subject member advised as to further conduct
DMBC	Member of public	DMBC Councillor	Failure to treat with respect	No breach found
DMBC 5/9/21	Member of public	DMBC Councillor	Breach of confidentiality	Outside the scope of the code. Not related to DMBC role

Summary of Member Code of Conduct Complaints Received in 2021/22

High Melton 14/9/21 HMA	Member of the Public	High Melton Parish Councillor	<ul style="list-style-type: none"> • Failure to act with integrity and honesty • Failure to treat parishioners with respect • Failure to secure public confidence in the role of councillor • Failure to exercise care and diligence 	No evidence of breach provided
High Melton 14/9/21 HMB	Member of the Public	High Melton Parish Councillor	<ul style="list-style-type: none"> • Failure to act with integrity and honesty • Failure to treat parishioners with respect • Failure to secure public confidence in the role of councillor • Failure to exercise care and diligence 	No evidence of breach provided
High Melton 14/9/21 HMC	Member of the Public	High Melton Parish Councillor	<ul style="list-style-type: none"> • Failure to act with integrity and honesty • Failure to treat parishioners with respect • Failure to secure public confidence in the role of councillor • Failure to exercise care and diligence 	No evidence of breach provided
High Melton 15/9/21 HMD	Member of the Public	High Melton Parish Councillor	<ul style="list-style-type: none"> • Failed to act with integrity and honesty • Failure to treat with respect 	No evidence of breach provided

Summary of Member Code of Conduct Complaints Received in 2021/22

High Melton 22/9/21 HM1	Member of the Public	High Melton Parish Councillor	Failure to treat with respect	Minor breach. Guidance letter to subject member no further action.
High Melton	Member of the public –	High Melton Parish Councillor	<ul style="list-style-type: none"> • Failure to treat with respect • Failure to act with integrity 	No breach found
High Melton	Member of the public	High Melton Parish Councillor	Failure to treat with respect	Minor breach. Guidance letter to subject member no further action.
DMBC 28/9/21	Member of the public	DMBC Councillor	Failure to treat with respect.	7/10/21 no breach of code, No further action Advice on tempering social media language
High Melton 3/10/21	Member of the public -	High Melton Parish Councillor x 4	Concerns about the conduct of a parish council meeting and the decisions reached	No evidence presented of breach of code by the councillors.
DMBC 11/10/21	Officer	DMBC Councillor x 2	<ul style="list-style-type: none"> • Bullying • Harassing • Failure to treat with respect 	Moved to investigation & statements 7/10/21 Withdrawn by complainant

Summary of Member Code of Conduct Complaints Received in 2021/22

DMBC 5/10	Officer	DMBC Councillor	<ul style="list-style-type: none"> • Bullying • Harassing • Failure to treat with respect 	Withdrawn by complainant
DMBC 16/11/21	Member of Public x 2	DMBC Councillor	Failure to declare interest	Dismissed no breach shown
Blaxton 26/11	Parish Councillor	Blaxton Parish Councillor	Failure to treat with respect	Outside of scope Acting in a personal capacity
21/12/21 High Melton PCHM	Member of Public	High Melton Parish Councillor x 4	<ul style="list-style-type: none"> • Failure to follow public opinion • Pre-determination 	No further action No evidence of pre-determination Other allegations out of scope of code



Doncaster Council

Report

Date: 28th April 2022

To the Chair and Members of the AUDIT COMMITTEE

BREACHES AND WAIVERS TO THE COUNCIL'S CONTRACT PROCEDURE RULES

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		No

EXECUTIVE SUMMARY

1. This report provides Members with details of all the waivers and breaches to the Contract Procedure Rules (CPR's) for the period **1st September 2021** to the **28th February 2022**.
2. The table below summarises the number of new waivers and breaches recorded for each Directorate since the last audit report presented in October 2021 and the one before that in April 2021. The details of each waiver and breach are summarised in the appendices to this report.

Directorate	1 st Sep 21 to 28 th Feb 22		1 st Mar 21 to 31 st Aug 21		1 st Sep 20 to 28 th Feb 21	
	Breaches	Waivers	Breaches	Waivers	Breaches	Waivers
AHW	0	6	0	11	0	3
LOCYP	1	2	2	2	2	2
CR	0	4	0	1	0	4
E&E	1	2	1	4	0	6
GRAND TOTAL	2	14	3	18	2	15

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.
8. To give context, the period that this report covers, includes the "third wave" of Covid-19 and this impacted the council resources and capacity especially in the adult social care teams. The impact of Covid-19 continues to cause challenges for the procurement and contracting of goods and services. Compared to the previous reported quarter, the number of approved waivers has reduced from 18 to 14. SPT continue to be proactive and supportive to help alleviate increased pressures with regular reporting and attendance at key stakeholder meetings.
9. There was also a change in Public Procurement thresholds on the 1st January 2022, these are reflected in the point 10 of this report, and the CPR's have been updated to reflect this.

CONTRACT PROCEDURE RULES (CPR'S)

10. 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 £177,898** – 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 £177,898 and £552,950 (Light Touch Regime (LTR) Services) or £4,447,488 (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 £177,898 (Goods/Services) or £552,950 (LTR Services) or £4,447,488 (Works)** - use of an in-house supplier, council wide contract, third party framework agreement or carry out a public contract regulations compliant tender process.

11. It is therefore important that steps be taken to ensure breaches are identified, investigated and plans quickly put in place to rectify the position.
12. There have been **two** new breaches. This report also updates on **two** existing unresolved breaches and **four** resolved breaches.
13. **Appendix 1** shows the details of the **new, unresolved** and **resolved** breaches for this period.
14. 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, in accordance with the following permissible exemptions.

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

Breaches to CPR's

15. Breaches arise from either the aggregation of spend going over pre-prescribed limits, a complete absence of any identifiable contract, a failure to comply with requirements to obtain adequate competition or an extension of contract beyond its agreed term or lifetime.

Update to Breaches previously reported

16. In **October 2021**, there were **three** new breaches of the CPR's reported to Audit Committee as well as updates on **three** existing unresolved breaches and **one** resolved breach.

Waivers to CPR's

17. **Fourteen** waivers to CPR's have been approved for this **six** months period, which has decreased from the last report in October 21 where there were

eighteen. The number and value of waivers granted against the amount of contracts awarded for this period are shown in **Appendix 3**.

18. The waivers detailed in this report have been reviewed and agreed by either the MO or the CFO (for waivers linked to the Legal and Democratic Services Department).

REVIEW OF PROCUREMENT ARRANGEMENTS ABOVE £25,000

19. 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. Officers provide regular updates to stakeholders on contract registers, procurement plans and spend analysis to ensure transparency and movement to ensure delivery of projects within timescales. Procurement Forward Planning Reports, for a period of 18 months, are presented quarterly to departments across the council.

20. A CPR Training Programme has been reactivated and, in the first instance, being targeted at areas of non-compliance and new officers into the council.

OPTIONS CONSIDERED

21. Each waiver is examined through a robust 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

22. 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

23.

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

<p>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>budgets available.</p>
<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	<p>Social value is considered in contracting activity. The CPRs state that for any procurement project above £177,898 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

24. 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.

25. The Council is still in recovery phase and SPT are working with service areas to ensure projects are in accordance with the CPR's.

26. Grant funding continues to cause issues for the council, specifically grant funding organisations give short timescales for the commissioning of services. Regional partners are lobbying grant-funding organisations on this matter through various means as it adds additional pressure on resource at the council.

LEGAL IMPLICATIONS [Officer Initials... NJD... Date.....1st April 2022

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

FINANCIAL IMPLICATIONS [Officer Initials...PH..... Date...01/04/22.....]

28. 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 31/3/22.....]

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

TECHNOLOGY IMPLICATIONS [Officer Initials... NR Date 31/03/22]

30. There are no specific technology implications in relation to this report. SPT continues to consult with Digital Strategy & Solutions 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 ...31/03/2022.....]

31. 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 16/09/21]

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

CONSULTATION

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

BACKGROUND PAPERS

34. None.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

Adults, Health & Wellbeing (AH&W)
Contract Procedure Rules (CPR's)
Chief Financial Officer (CFO)
Corporate Resources (CR)
Department for Transport (DFT)
Economy & Environment (E&E)
Information Communications Team (ICT)
Light Touch Regime (LTR)
Learning & Opportunities: Children & Young People (LOCYP)
Monitoring Officer (MO)
Strategic Procurement Team (SPT)
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 2021 to the 28th February 2022**
- **Unresolved** breaches, reported to the Audit Committee previously and;
- **Resolved** breaches reported previously

No.	Directorate	Status New Unresolved Resolved	Initial Date Reported	Contract Description	Value	Reason for breach	Proposed action to be / has been taken in relation to the breach	Timescale for resolution
1.0	LOCYP	New	Apr 22	Castle Hills Drainage	£61,094	Failed to obtain 3 quotes	Apr 2022 Note – These works have been undertaken and the officers involved failed to obtain 3 quotes, they believed a waiver was in place to cover this purchase, as it was emergency works. Officers advised on their obligations as per the CPR's and further training will be given.	Apr 22
1.1	LOCYP	Resolved	Oct 21	Education System	£53,000	Contract expired	Apr 2022 Note – Contract has ceased. New contract for this contract has been put in place to meet the required outcomes. Oct 2021 Note – Initially the service area believed the system was to be replaced with an alternative as part of a larger project. Once confirmation that this system was out of scope of the larger project, the correct governance route for ICT extensions was conducted, via the Technology Governance Board (TGB), where the service area was advised that they would need to put forward a waiver to allow a review and re-procurement, if necessary. There was a misinterpretation of this advice and officers concluded after conversations that one was not required although a contract with the provider was formalised. SPT are now working with the project lead in the responsible area to put something in place to rectify this breach when the breached contract ends on the 31 Mar 22.	
1.2	LOCYP	Resolved	Oct 21	Conservation Contract	£31,000	Exceeded allowable direct award threshold	Apr 2022 Note – This contract has now ceased. Oct 2021 Note – Spend analysis has shown aggregated spend with the same supplier above the allowable direct award threshold of £25k. The department exceeded due to emergency additional works and failed to put in a CPR Waiver Report under the 'emergency category'. This contract is set to end and the continued provision be through a compliant route to market. Training is being given to officers involved.	Oct 21
1.3	LOCYP	Unresolved	Apr 21	Archive Offsite	£39,700	Contract expired	Apr 2022 Note – Movement of the archives to Chequer Road has begun. Racking installation completed on the 25 th Mar 22. The	Revised: Jun 22

				Storage			<p>movement has to be managed within the health and safety requirements where two teams cannot be present in one space. Lift maintenance is taking place at one of the storage providers so extraction of material is delayed. Existing plan, taking into account the issues mentioned above will result in the contract with the storage providers ending on the 3rd June 22.</p> <p>Oct 2021 Note – The movement of the archives are dependent on the development of the old museum site. There have been delays in moving this project forward because of complexities linked to the site.</p> <ol style="list-style-type: none"> 1. Enquiries by Heritage England as to the historical importance of the site 2. Issues with the fabric of the building resulting in significant works and milestones to be achieved before movement can be commenced 3. Review of the allocated budget due to rising material costs – resulting in a need to redesign to bring costs down 4. The need to ensure the building meets the National Archives Standards <p>The Internal Audit Team have been involved in the project group. The plan is due to be finalised for moving the archives back and signed off by the 18th October, with the date for completion being the 28th March 22.</p> <p>Due to the above, the existing breached contracts will need to be extended to continue to stores the archives until the building is developed to the required standard. This will continue as a breach to ensure close monitoring to obtain the resolution.</p> <p>Apr 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.</p>	<p>Apr 22</p> <p>Oct 21</p>
1.4	LOCYP	Unresolved	Apr 21	Archive Offsite Storage	£83,814	Contract expired	<p>Apr 2022 Note: As per 1.3.</p> <p>Oct 2021 Note – As per 1.3 – these breaches are interdependent.</p> <p>Apr 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.</p>	<p>Revised: Jun 2022</p> <p>Apr 2022</p> <p>Oct 2021</p>
2.0	AHW	Resolved	Apr 17	YMCA Goodall House	£170,000	Contract expired.	<p>Apr 2022 Note – Contract ceased on the 31st Mar 22 after a period of decommissioning against a set plan.</p> <p>Oct 2021 Note – This is a long standing unresolved breached contract where the risks of contractual coverage have been mitigated but until resolved this will remain, for transparency reasons, on this report to ensure the Audit Committee have sight once resolved.</p>	<p>Mar 2022</p> <p>Subject to Cabinet Report 5th Nov 19</p>

							<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 the contract to run up to the 31st Mar 2022. This will remain breach until the contract ceases.</p> <p>June 2020 Note – agreed exit strategy through liaison with legal, procurement and provider. Tapered funding arrangement to minimise service disruption to young people coinciding with an alternative funding model secured by the provider. ODR drafted and submission being progressed.</p> <p>March 20 Note - Service included in the review of the Homelessness Strategy approved by Cabinet on 5th Nov 19. Awaiting service area decision end Sept 20.</p> <p>Oct 19 Note - Decision over the future of the service put on hold until the approval of the Homelessness and Rough Sleeping Strategy presented at cabinet on the 5th Nov 19 The service will be considered as a part of the overall commissioning plan for the implementation of the Strategy.</p> <p>Apr 19 Note - report written but still to be agreed - recommendation to decommission the contract – if agreed in Apr 19 then contract will require 6 months exit strategy period.</p> <p>Oct 18 Note - Review and potentially redesign.</p>	Revised: Sept 19 Mar 19
3.0	E&E	Resolved	Oct 21	Seed Order	£66,630	One off order out of contract	<p>Apr 22 Note – One off purchase. Contract for future purchases set up. CPR Training for officers involved.</p> <p>Oct 21 – Transaction of £60k picked up to a supplier that was no longer in contract and a non-compliant order in accordance with the CPR's. A Grounds Maintenance and Associated Equipment Framework is currently being set up that encompasses this category of spend and will be in place by November 21 to counter the risk of this occurring in the future. Training by SPT Officers is taking place with 25 members of the team where the breach occurred.</p>	Nov 21
3.1	E&E	New	Apr 22	Noise Monitoring Equipment	£39,213	Failed to obtain 3 quotes	<p>Apr 22 Note – Officers involved failed to obtain 3 quotations for this purchase. Issue raised and training to be given.</p>	

WAIVERS

CPR waivers that have been agreed covering the period **1st September 2021 to the 28th February 2022**, 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
1.0	AHW (Public Health)	Supported Lettings Service for the Rapid Rehousing Project	4. Forms Part of a Strategic Plan/Review	£45,000	01/07/2021	31/03/2022	Approval to vary an existing supported housing contract additional funding for a period of 9 months to support the Rough Sleeping Initiative. Short-term funding was secured from the Ministry of Housing Communities and Local Government (MHCLG). This is a key strand of Doncaster's Homelessness and Rough Sleeping strategy to deliver increased dispersed housing. It is not possible to procure a contract for 9months at short notice and with potential TUPE implications.
2.0	AHW (Public Health)	Welfare Benefits And Tribunal Service	1. Sole Provider/Niche Market	£90,000	01/10/2021	31/03/2022	Existing contract, that was market tested, be extended for six months to allow time for a service review, no other provider could fulfil this extension. Commissioning cycle and review was slightly delayed due to Covid 19 works. This contract will be re-tendered and awarded with a go live date of the 1 st April 22.
3.0	AHW (Public Health)	Adult Substance Misuse Recovery System	4. Forms Part of a Strategic Plan/Review	£5,576,833	01/04/2023	31/03/2024	An early waiver in preparation to allow a comprehensive strategic review to evaluate the impacts of all the strands of short term funded pilot initiatives in collaboration with Public Health England (PHE) that will inform the specification of the Adult Substance Misuse Recovery System post 2024. The nature of the schemes and flexibility requirements do not allow for competition to be completed.
4.0	AHW (Public Health)	Social Prescribing	3. Safe Exit from a contract	£260,000	Apr-22	Mar-23	Approval of additional BCF funding at the Joint Commissioning Group for 12 months to enable an extension to continue the social prescribing contract, for staffing and infrastructure with a value of £240,000 pa, also £20,000 pa for onward referrals to voluntary community sector. This additional 12 months was not factored into the initial contract. The short-term funding (12 months) and additional complexities associated such as TUPE does not make it not feasible to complete a competitive exercise for this contract.
5.0	AHW	Community Care	2. Emergency Situation	£449,146	24/01/2022	23/01/2023	Granted on an emergency basis to a domiciliary care provider due to the contracted providers inability to deliver 19 packages of essential care.

6.0	AHW	Occupational Therapy External Consultancy Support	2. Emergency Situation	£99,000	01/02/2022	01/05/2022	Continuation of an existing contract past the term of the contract awarded. This award is required due to increasing waiting lists partly due to the pandemic and failures to recruit Occupational Therapists to complete the assessments.
7.0	CR	CRM Software Extension: Support And Maintenance	3. Safe Exit from a contract	£89,600	01/04/2022	31/03/2024	Extend of the current contract past the term of the contract for the Customer Relationship Management (CRM) system to ensure continuation of service and support for this business critical system pending the procurement and phased implementation of a replacement solution. The CRM contract was awarded via an open EU procurement (ref C6452). This ICT project is significant and the project to commission, procure and implement lengthy and involves significant officer resource from across the authority. The project should have begun in 2020 but the required officer resource was diverted to deal with the pandemic. This project has begun and this extension is needed to allow a robust contract to be commissioned, procured and implemented along with the safe exit from the existing agreement.
8.0	CR	Service Deliver Manager	1. Sole Provider/Niche Market	£8,250	01/01/2022	31/12/2022	There is only one supplier (XL Print Document Solutions) of the Paris Enterprise print spooler, which is required for business-critical printing by Rapid Print. The Paris spooler interacts with Xerox Papercut software and the intention is to extend Paris for 12 months so this contract expiry coincides with the Xerox contract expiry, and both are factored into the re-procurement of the MFD contract.
9.0	CR	Toxicology Investigations Service	4. Forms Part of a Strategic Plan/Review	£87,000	1/11/2021	30/10/2022	The Coroner is an independent judicial officer who has a legal duty to investigate and report on the cause of death where cause of death cannot be ascertained with certainty. This contract has been extended to allow investigation into whether alternative providers can fulfil this requirement. The NHS has not been in a position to compete in a market test hence the extension beyond the contract term.
10.0	CR	Website Improvement Project	4. Forms Part of a Strategic Plan/Review	£63,201	14/12/2021	14/12/2022	Contract awarded beyond the contract end date to allow for completion of the works. Council resource issues due to the pandemic have led to a delay, 70% of the work is complete. This award is required to ensure the council benefits from this initial work to deliver a wider programme of works to reduce the number of external websites and achieve value for money.

11.0	E&E	Private Sector Stock Condition Survey	1. Sole Provider/Niche Market	£80,000	01/10/2021	22/03/2022	Direct award to conduct stock condition surveys on private sector housing conditions in the borough. The council are required to complete returns indicating the distribution of their housing stock by tenure and the condition of the stock. Since 2010 the number and frequency of stock condition surveys undertaken by Local Authorities has fallen to such an extent that there is now a lack of alternate survey providers in this field able to supply within the timescales required. The provider awarded has also undertaken neighbouring authority surveys.
12.0	E&E	Annual NHT Public Satisfaction Survey	1. Sole Provider/Niche Market	£75,000	20/12/2021	31/03/2026	The survey is a requirement of Dft Level 3 Self-Assessment Funding, without conducting these surveys, The Council would not receive the level of funding it currently receives. This is a niche provider.
13.0	LOCYP	Sleep Service	1. Sole Provider/Niche Market	£70,000	04/10/2021	04/10/2022	To direct award a contract to deliver a sleep clinic service for children and young people currently placed within Local Authority children's residential homes alongside identified foster carer provision. This is a niche market for Doncaster.
14.0	LOCYP	Partnership Improvement Board - Chair	1. Sole Provider/Niche Market	£80,000	01/01/2022	30/12/2022	The proposal is to extend the current contract due to ongoing need for this provision. The authority cannot obtain quotes for this provision due to the niche nature of the supplier and their existing position.

APPENDIX 3

Total contracts awarded versus the number and value of waivers: 1st September 2021 to the 28th February 2022

Directorate	Number of Waivers	Value of Waivers	Total Contracts Awarded 1 st Sep 21 to 28 th Feb 22	Value of Contracts Awarded	% Number of Waivers against total contracts awarded	% Value of Waivers against total contracts awarded
E&E	2	£155,000	193	£17,589,209	1.04%	0.88%
Adult Social Care	2	£548,146	59	£61,511,644	3.39%	0.89%
Public Health	4	£5,971,833	25	£8,120,946	16%	73.54%
LOCYP	2	£150,000	287	£46,440,505	0.70%	0.32%
CR	4	£382,347	66	£18,049,218	6.06%	2.12%
Total	14	£7,207,326	630	£151,711,522	2.22%	4.75%

The % overall for this period for numbers of waivers granted against contracts awarded was **2.22%** which is a significant decrease on the previous period between the **1st March 2021 to the 31st August 2021** of which was **8.1%**. This shift is due to a significant increase of contracts awarded for this period.



Doncaster Council

Report

Date: 28th April 2022

To the Chair and Members of the Audit Committee

Local Code of Corporate Governance review and production of the 2021-22 Draft Annual Governance Statement

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

EXECUTIVE SUMMARY

APPENDIX A: LOCAL CODE OF CORPORATE GOVERNANCE REVIEW:

1. CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework (the framework) advocates the production of a convenient and simple reference point by local authorities to summarise their governance arrangements. Doncaster Local Code of Corporate Governance (The local code) is underpinned by the framework and is comprised of policies, procedures, behaviours and values by which the Council is controlled and governed.
2. A review of Doncaster's local code has been undertaken to ensure the guidance document is still relevant and up to date. (Appendix A). The local code shows all the policies and procedures in place at the Council that enable the Council to meet the seven principles of good governance set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework

APPENDIX B: 2021-22 DRAFT Annual Governance Statement

3. 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.
4. The council's governance arrangements in place during 2021-22 have been reviewed and an Annual Governance Statement has been drafted which shows our governance compliance.
5. Again the start of 2021-22 was another year of challenges and opportunities as a result of the COVID 19 Pandemic, despite this Doncaster Council continues to be well governed and committed to good governance, which is

evident in the draft AGS document (Appendix B), that shows the following:

- 7 key areas of improvement have been completed or have been effectively managed to the extent that they were no longer significant. (Pages 9-10)
 - 1 new significant issues arising from the 2021-22 review of effectiveness of the corporate governance arrangements and including the (Page 6)
 - Updates on the 2 key areas identified during previous years that remain an issue in 2020-21 (Page 7).
6. Last year's AGS contained 9 significant issues and 7 of these have been effectively managed and removed them from the AGS. During this year's process we have identified 1 new areas of significant risk and this have been added. This gives us a total of 3 key areas of focus on our current AGS, a reduction of 6 compared with last year.
7. Please note that this document is the draft AGS and some of the key actions to mitigate the weaknesses identified for 2021-22 will be reviewed; and may be improved upon before the production of the final AGS, which is anticipated to be presented in October 2022 to coincide with the Council's Final Accounts.

EXEMPT REPORT

8. Not Applicable

RECOMMENDATIONS

9. 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 it being published for consultation as part of the 2021-22 Council Draft Accounts.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

10. 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

APPENDIX A: LOCAL CODE OF CORPORATE GOVERNANCE REVIEW:

11. The CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework (The Framework) is the commanding guidance for good governance in local authorities. It needs to be followed in order to meet best practice and comply with the requirements of the Accounts and Audit Regulations.
12. The Framework details the principles and sub principles, which underpin the governance of Doncaster Council and provide a structure to assist the authority's approach to governance.

PRINCIPLES	SUB PRINCIPLES
Acting in the public interest requires a commitment to and effective arrangements for :	
A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.	Behaving with integrity.
	Demonstrating strong commitment to ethical values.
	Respecting the rule of law.
B. Ensuring openness and comprehensive stakeholder engagement.	Openness
	Engaging comprehensively with institutional stakeholders.
	Engaging with individual citizens and service users effectively.
In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance also requires a commitment to and effective arrangements for :	
C. Defining outcomes in terms of sustainable economic, social and environmental benefits.	Defining outcomes.
	Sustainable economic, social and environmental benefits.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes.	Determining interventions.
	Planning interventions.
	Optimising achievement of intended outcomes.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.	Developing the entity's capacity.
	Developing the capability of the entity's leadership and other individuals.
F. Managing risks and performance through robust internal control and strong public financial management.	Managing risk.
	Managing performance.
	Robust internal control.
	Managing data.
	Strong public financial management.
G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.	Implementing good practice in transparency.
	Implementing good practices in reporting.
	Assurance and effective accountability.

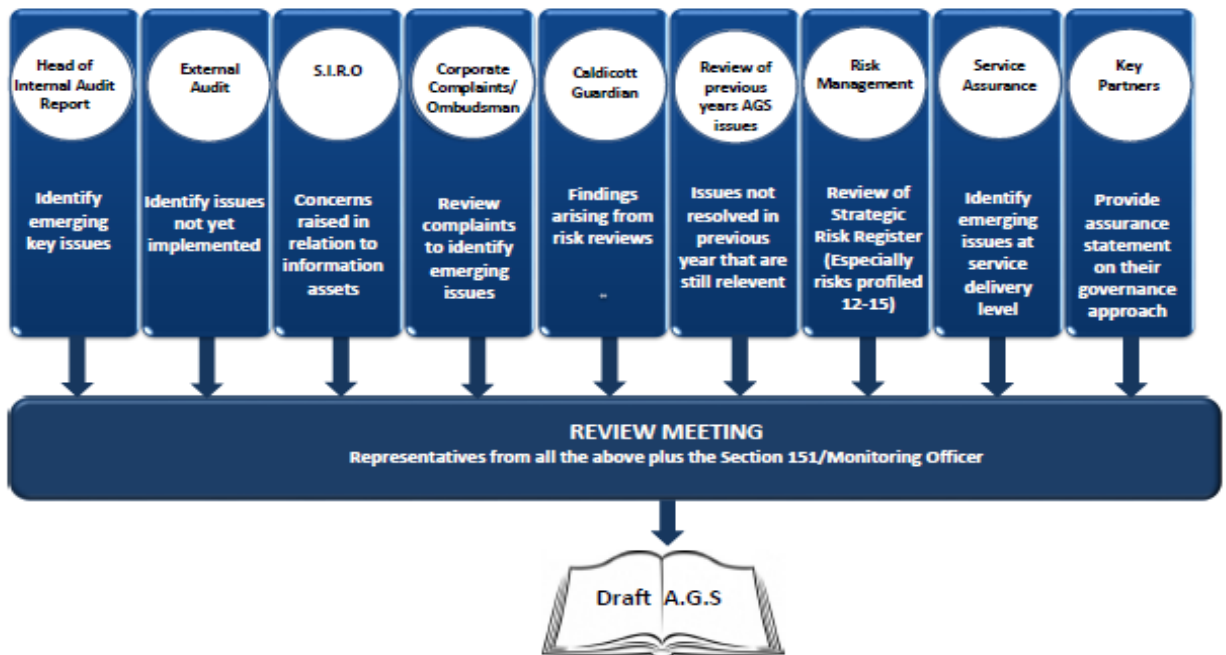
APPENDIX B: 2021-22 DRAFT Annual Governance Statement

13. 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.
14. 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.

15. Pentana continues to be used to record compliance and/or areas for development and to provide updates for the quarterly Resource Management process

16. 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 2021-22 Annual Governance Statement from the emerging issues.



17. 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.

18. 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

19. Not Applicable

REASONS FOR RECOMMENDED OPTION

20. Not Applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

21.

	Outcomes	Implications
	Connected Council: <ul style="list-style-type: none">• A modern, efficient and flexible workforce• Modern, accessible customer interactions• Operating within our resources and delivering value for money• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents• Building community resilience and self-reliance by connecting community assets and strengths• Working with our partners and residents to provide effective leadership and governance	The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place

RISKS AND ASSUMPTIONS

22. 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 NC Date 12/3/22]

23. 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 11/04/22]

24. 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 SH Date 08/04/22]

25. There are no specific human resources implications resulting from this statement

TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 12/04/22]

26. There are no specific technology implications arising from this report. As outlined in the draft AGS, key areas of improvement from previous statements around Cyber Attack Business Continuity and Doncaster Integrated People Solution have been completed.

HEALTH IMPLICATIONS [Officer Initials RS Date 06/04/2022]

27. 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 SW Date 10/04/2022]

28. 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

29. Throughout this process consultation is undertaken with Heads of service, Assistant Directors, 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

30. CIPFA/ SOLACE delivering good governance in Local Government Framework
Accounts and Audit Regulations (England) 2015.
Local Code of Corporate Governance 2021-22
2020-21 Annual Governance Statement
Annual Report of the Head of Internal Audit 2021-22

REPORT AUTHORS AND CONTRIBUTIORS

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

Debbie Hogg
Director of Corporate Resources



Doncaster
Council

Local Code of Corporate Governance 2022-23

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



Introduction

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

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

The Importance of Good Governance

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

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

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

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

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

¹ The Chartered Institute of Public Finance and Accountancy

² Society of Local Authority Chief Executives and Senior Managers

How It Works In Doncaster

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

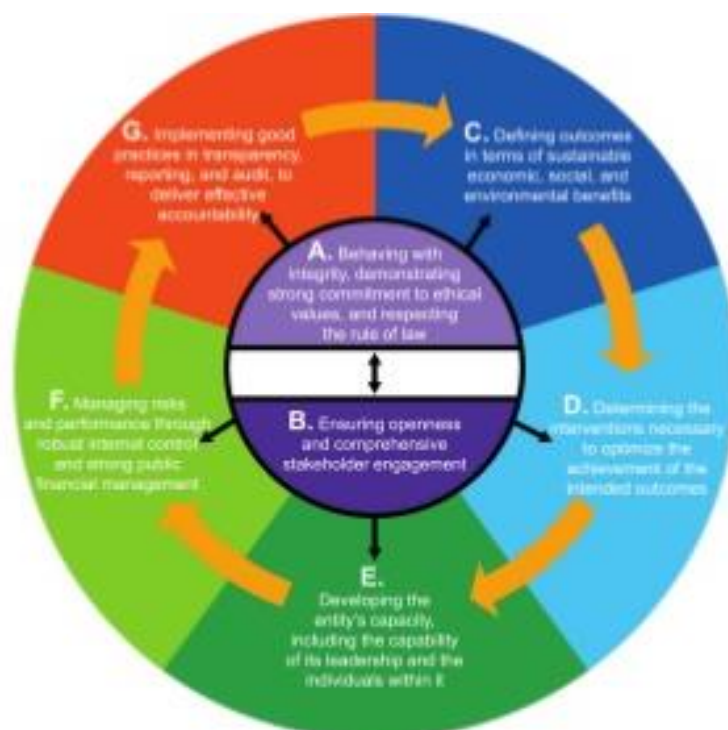
The Council recognises that good governance leads to good management, good performance, good stewardship of public funds, good public engagement and to good outcomes for citizens and service users. Failure to deliver this undermines the confidence of the public in our ability to fairly and effectively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

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

Good Governance Principles

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

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



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

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

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

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

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

Monitoring and Review

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

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

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

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

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

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

PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement

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

Actions	Evidence
SUB PRINCIPLE: Openness	
<ul style="list-style-type: none"> • Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action 	<ul style="list-style-type: none"> • Borough Strategy • Corporate Plan • Forward plan • Doncaster Council website • Publication scheme • Overview and Scrutiny arrangement • Consultation arrangements • Localities Work • Transparency agenda • Corporate report format • Public Sector Equality Duty • Public attendance at meetings e.g. council meeting etc. • Officer decision records
SUB PRINCIPLE: Engaging Comprehensively with Institutional Stakeholders	
<ul style="list-style-type: none"> • Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • Ensuring that partnerships are based on: <ul style="list-style-type: none"> - trust - a shared commitment to change - a culture that promotes and accepts challenge among partners • and that the added value of partnership working is explicit 	<ul style="list-style-type: none"> • Consultation arrangement • Council Website • Team Doncaster partnership boards • Safeguarding Adults Board • Safeguarding Children’s Board • Borough Strategy • Partnership governance arrangements • Monitoring arrangements for Arm’s Length Management Company (ALMO)
SUB PRINCIPLE: Engaging Stakeholders Effectively, Including Individual Citizens and Service Users	
<ul style="list-style-type: none"> • Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes • Ensuring that communication methods are effective. Members and officers are clear about their roles with regard to community engagement • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs • Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity • Taking account of the impact of decisions on future generations of tax payers and service users 	<ul style="list-style-type: none"> • Borough Strategy • Corporate plan • Council Website • Council Chamber – Meetings, Minutes Agendas • Overview and Scrutiny Committees • Team Doncaster • Localities Work • Doncaster Talks Consultations <p style="text-align: right;">Page 46</p>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Further Information

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

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

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

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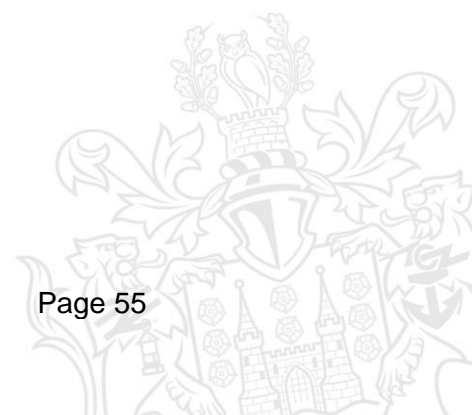


Doncaster
Council

Appendix B

Report

Draft
**ANNUAL GOVERNANCE
STATEMENT
2021/22**



Introduction

This statement explains how Doncaster Council (the Council) has complied and meets the requirements of the Accounts and Audit (England) Regulations 2015, regulation 6 (b), which requires all relevant bodies to prepare an Annual Governance Statement.

Scope of responsibility

Doncaster Council is responsible for ensuring that its business is conducted in accordance with the law, and proper standards, that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements that ensure, secure and 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, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk whilst demonstrating a commitment to openness and acting in the public interest at all times.

The Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. This document defines standards of behaviour for members and staff, as well as including policies that deal with whistleblowing and conflicts of interest. A copy of the 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

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 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 Council's 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 controls 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 considers the period 1st April 2021 to 31st March 2022, it must also reflect any significant events or developments relating to the Council's governance system that have occurred between the year-end and the date on which the Statement of Accounts will be signed off (October 2022)

Financial Management Code

Strong financial management is an essential part of ensuring public sector finances are sustainable. The CIPFA Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities and assurance that authorities are managing resources effectively. The FM Code identifies risks to financial sustainability and introduced a framework of assurance.

Complying with the standards set out in the FM Code is the collective responsibility of elected members, the chief finance officer and their professional colleagues in the leadership team. Complying with the FM Code will help strengthen the framework that surrounds financial decision making.

The Council has undertaken an assessment of compliance with the principles of the FM code. This assessment has confirmed the Council's compliance, with some actions identified for further improvement which have been reported and agreed with management.

Our Governance Framework

The Council's executive arrangements and the oversight of its functions ensures strong political, strategic, and partnership leadership arrangements. We have a clearly visible golden thread linking our partnership wide Borough Strategy (Doncaster Delivering Together) priorities into our Corporate and Service Plans as well as our Performance Development Review process. Our Borough Strategy highlights the vision for the Council and its partners, and the intended outcomes for citizens and service users. It is used as a basis for our service plans and establishes clear channels of communication with all sections of our communities and other stakeholders, ensuring accountability and encouraging open consultation.

The Council has effective arrangements in place for the discharge of the Head of Paid Service function, The Chief Financial Officer S151 function, and the Monitoring Officer function in their roles as the Council's Statutory Officers. Where necessary induction arrangements include tailored introductions to the council's structure, decision making arrangements for officers and members who are new to the council or the Senior Leadership Team, and information on key policies and procedures.

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

The purpose of the 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 the Council's governance, risk management, and control frameworks as well as overseeing the financial reporting and annual governance processes. It oversees both 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 and 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; This includes ensuring for Internal Audit that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019) and that the Internal Audit function operates to their relevant professional standards which are the United Kingdom Public Sector Internal Audit Standards. The Committee received this assurance independently this year through the External Quality Assessment carried out by the Head of Internal Audit from Rotherham Council who assessed Doncaster's Internal Audit team to be operating at the highest level of conformance with these standards;
- 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 again 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 continued to be influenced due to the COVID 19 Pandemic. The committee has continued to be 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 are available [doncaster.gov.uk](https://www.doncaster.gov.uk)

Governance Group

This Group, which is chaired by the Monitoring Officer, leads on the development of governance arrangements at the Council and ensures that it complies with relevant laws and regulations, internal policies, and procedures, and that expenditure is lawful and conforms to 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 co-ordinate their work to get best value from the resources available and aim to work closely together to achieve the Council's 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 third annual report, presented to Audit Committee in November 2021 they gave an “unqualified audit opinion” on the Council’s financial statements for 2020-21 and a positive Value for Money (VFM) conclusion for 2020-21 at April 2022 Audit Committee. This is consistent with the opinions provided in previous years. Internal Audit were able to provide a positive opinion in their annual report for 2021-22, 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 ongoing 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 with minimal slippage against statutory deadlines, which was not the case for many other authorities nationally, and the work of all parties in achieving this is acknowledged.

The 2021/22 audit should start after the draft accounts have been published in July 2022 and Grant Thornton are anticipated to present their annual audit report to Audit Committee before the end of February 2023.

Our Approach to Risk Management

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

Managing the Council’s risks effectively contributes to the delivery of the strategic and operational objectives of the authority. The 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

The 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 the Council's effectiveness is derived from two perspectives, corporate and service perspectives. The corporate perspective is taken from existing intelligence provided 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 of the Council's Heads 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.

The Council has been advised on the implications of the result of the review of the effectiveness of the governance framework by its Executive Board and Audit Committee, and that these 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.

The Council's governance arrangements have continued to hold strong and its administration arrangements effective during these unprecedented times. The Council has maintained adherence to its Financial Procedure Rules and Contract Procedure Rules, for example, by progressing variations to contracts delivering Adult Services and Public Health Functions. On behalf of the Government, the Council has also administered significant additional business rate reliefs and grants to businesses. This includes the added complexities of some of the funding being channelled via the South Yorkshire Mayoral Combined Authority (SYMCA) 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 28th November 2021, Preventing and Detecting Fraud and Error – October 2020 to September 2021, provides further updates on Covid related Business Rates grant fraud and error. Such grants in this period were more wide-ranging to reflect the ever changing restrictions in place. We have now paid out in excess of £110m for these grants with a rate of fraud or error detected below 1% with further checks continuing to be made into the 2022/23 year.

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 continued response to the Covid-19 pandemic has led to 33 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) with the process demonstrating 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 28th February 2022.

Effectiveness of arrangements and level of assurance

2021-22 continued to be a challenging year for the Council’s services as the COVID-19 pandemic impacted across the organisation. Throughout this time the Council’s governance arrangements held strong and were effective, allowing it to be both flexible and confident in responding to emerging priorities, changes to service delivery and timely decision making. The Council continues to follow CIPFA guidance incorporating the published updates for the production of the Annual Governance Statement.

Despite the volatility of the 2021-22 year, the Council believes that it can give a reasonable and soundly based level of assurance over these conclusions.

Significant governance issues identified in 2021-22

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 issue have been identified for improvement as part of the 2021-22 Annual Governance Statement process:

<p>ISSUE: Doncaster Inspection of Local Authority Children’s Services (ILACS) Following the recent Ofsted inspection of children safeguarding services delivered by DCST where the overall outcome judgement has been ‘Requires Improvement to be Good’ a number of recommendations have been highlighted to bring about improvement at pace around some Children’s Services and the governance over these services.</p>	
<p>Actions: A Post OFSTED Improvement Plan is being developed for approval and then implementation over the agreed timescales. The improvement journey is seen over 3 years with the first year’s activity to improve to a level of ‘Good’.</p> <p>Responsible Officer: Rebecca Wilshire – Director of Social Care within DCST Riana Nelson – Director of Learning, Opportunities and Skills and Chief Executive Doncaster Childrens Services Trust (Statutory Director of Children Services)</p>	<p>Completion Date: March 2023</p>

An update on Key Improvement Areas previously identified that remain an issue in 2021-22

<p>ISSUE: Partnership Recovery & Resilience in relation to DCST (Principle F)</p> <p>The effects of the last 2 years, have resulted in increased demand and significant pressures on the Children’s Social Care systems. A decision was taken by Cabinet to transfer the provision of social care services to Doncaster Council and serve notice on the contract with Doncaster Children’s Trust. This next phase in the journey of Children’s Services in Doncaster will enable direct accountability and responsibility for the delivery of frontline services, with a focus on accessible and accurate performance data for management oversight and an assurance function that highlights concerns at the earliest possible stage. The voluntary Improvement Board has been decommissioned and the revised Doncaster Safeguarding Partnership governance is in place that will deal with issues relating to partnership contributions to the safeguarding system.</p>	
<p>Actions:</p> <ul style="list-style-type: none"> • Serve notice on the DCST contract by mutual agreement with the Trust Board. • Transition via TUPE transfer all DCST staff into the Council • Align safeguarding services with education and early help services within the Council. <p>Responsible Officers: Riana Nelson – Director of Learning, Opportunities and Skills and Chief Executive Doncaster Children’s Services Trust Debbie Hogg – Director of Corporate Resources</p>	<p>Completion Date: March 2023</p>
<p>ISSUE: Adult Social Care Market Sustainability (Principle D)</p> <p>The Social Care Market nationally and locally remains fragile and challenged. There is a significant amount of work and change needed in this area through the coming year. Funding and charging reform needs to be worked through this year to be ready for implementation in 2023. Continued investment and support will be needed in the care market in the coming year.</p>	
<p>Actions:</p> <ul style="list-style-type: none"> • Implement 2022 fee uplifts following Doncaster Council consultation with providers (April 2022) • Implement and embed Provider Assessment and Market Management Solution (PAMMS) for Quality Assurance monitoring (April 2022) • Undertake and complete Fair Cost of Care Exercise (September 2022) • Task and finish group (cross council) to be created for preparing services for charging/ funding reform (May 2022) • Preparation work and market consultation for new Domiciliary Contract (January 2023) • Draft charging policy changes ready for implementation in 2023 (April 2023) <p>Responsible Officers: Phil Holmes – Director of Adults, Health & Wellbeing Carolyn Nice – Assistant Directors Adults, Health & Wellbeing</p>	<p>Completion Date: April 2023</p>

Statement of Commitment

We have been advised of the implications of the result of the 2021-22 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 at this point in the 2021-22 Annual Governance Statement. These are:

- ❖ **Food Safety and Trading standards inspection arrangements (Principle D)** - The Food Safety Team has now successfully recruited to two Environmental Health Practitioner posts and we continue to use agency inspectors to help address the backlog of inspections. The national regulator, the Food Standards Agency, has issued a plan which focuses on high risk inspections and one which provides a timetable to address the backlog up to 2024 – mindful of the challenges and pressures created by Covid and a shortage of EHPs nationally. Our focus remains on meeting the revised timetable while addressing high-risk premises (either due to rating or process).
- ❖ **Ensuring Building Safety Compliance** – Risks associated with Building Safety and compliance have been mitigated with a number of key operational actions and process changes. The introduction of C365 has provided the newly formed Building Safety team with a bespoke repository for all compliance certification and supporting information. The Building safety team now functions with a Building Safety Manager and 6 subject matter experts to add rigour to our processes and procedures. The recent Health Check by Pennington’s on all 6 compliance areas has provided an opportunity to verify our approach from an external perspective and offer assurance to our Board and Doncaster Council. The additional accreditation and audits also offer reassurance that we are compliant. The introduction of St. Leger Homes Building Safety Committee, in addition to the Building safety Group and Sub Group offer layers of governance and further reassurance that we are prepared for future legislation changes.
- ❖ **Cyber Attack Business Continuity (Principle F)** - A Risk was identified that acknowledged the heightened risk globally and the successful cyber-attacks on other authorities despite the technical security measures taken and in place. In response to this risk all business continuity plans in the Council, SLHD & DCST have been reviewed. A pre-prepared Communication Plan has been developed and the immediate response action plan considered by Emergency Planning. The prioritised list of business systems for a recovery scenario is complete and being continually updated as changes occur. A dedicated Cyber Security Team has also been formed and the technical tools in place to deter and monitor cyber-attacks are continually being updated and implemented. To further safeguard the Council’s information, a further off-line and therefore even more secure copy of all data has also been implemented which is continually refreshed. This will greatly assist in the recovery process if an unfortunate major cyber event did occur that could not be stopped. The Council’s technical security arrangements are also monitored annually by the Cabinet Office and various security audits are

undertaken on a regular basis. A retainer with a specialist technical security company is also in place in case we need assistance in the event of a cyber-attack.

- ❖ **Assurance over future financial sustainability and supporting the recovery Process from the covid 19 pandemic (Principle F)** – A risk was identified that recognised the significant challenges and uncertainties facing the Council during the Covid -19 pandemic. These potentially could have had a sizeable impact on the future financial sustainability and ensuring a smooth transition from the pandemic. An updated Medium-term Financial Strategy for 2022/23 onwards was considered by Cabinet on 17th November 2021 which set out a sound financial position through a series of actions carried during the pandemic recognising strong financial governance and management arrangements in place. This risk is being stepped down as we continue to maintain stable budgets and into the emerging post pandemic environment.
- ❖ **Governance Functions (Principle E)** - An improvement area was 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. A training event was held as part of the Senior Management Meetings for all senior staff to improve awareness of key governance policies, procedures and arrangements that are in place to support senior managers.
- ❖ **Organisational Workforce (Principle E)** - An area of risk was identified for the council to identify and address critical skills gaps, to retain, develop and deploy resources to ensure services continue to be delivered to a high standard and remain value for money. Actions have been implemented to ensure the organisation continues to identify and address capacity issues to successfully drive through performance now and for the future.
- ❖ **Doncaster Integrated People Solution (DIP's) (Principle D)** - This extensive and complex programme of work is now complete with all social care, early help and education management live in the same solution and all legacy solutions decommissioned. The solution will continue to be enhanced as required as part of business as usual and strategic development.

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Doncaster Council

Report

Date: 28th April 2022

To the Chair and Members of the AUDIT COMMITTEE

AUDIT COMMITTEE ANNUAL REPORT 2021/22

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 2021/22, 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.

2. This Annual Report is a very encouraging report, recognising the positive outcomes achieved in an again challenging year, 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

3. Not applicable, for information only.

RECOMMENDATION

4. The Audit Committee is asked to make comment on and consider for approval the attached Audit Committee Annual Report 2021/22 and for it to be suitably published.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

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

BACKGROUND

6. 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 2021/22.

OPTIONS CONSIDERED

7. Not application, for information only.

REASONS FOR RECOMMENDED OPTION

8. Not applicable, for information only.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

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

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

	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>Effective oversight through the Audit Committee adds value to the Council operations in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough</p> <p>The work undertaken by the Audit Committee improves and strengthens governance arrangements within the Council and its partners.</p>

RISKS AND ASSUMPTIONS

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

LEGAL IMPLICATIONS (Initials:SRF Date:04.04.22)

11. 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 (Initials: SJT Date:07.04.22)

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

HUMAN RESOURCES IMPLICATIONS (Initials: SH Date: 05.04.22)

13. There are no HR implications associated with this report.

TECHNOLOGY IMPLICATIONS (Initials: PW Date: 11.04. 22)

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

HEALTH IMPLICATIONS (Initials: RS Date:05.04.2022)

15. 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 (Initials: PRJ Date:17/03/22)

16. 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

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

BACKGROUND PAPERS

18. Various Audit Committee Reports from July 2021 to April 2022 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 2021/22



Councillor Austen White
Chair of the Audit Committee, 2021/22

FOREWORD

I am pleased to present this report which highlights the contribution this Committee has made during 2021/22 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 Council 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.

Whilst this last year has felt a little less demanding than the previous unprecedented year, it has still had its own challenges which the Committee dealt with

through the continued active engagement with the Head of Internal Audit and other officers during this period to understand the nature and depth of challenges relevant to the committee.

We did this through; -

- Continuing with the longer, more detailed virtual training, briefing and updating sessions for committee members. This was particularly important with the appointment of four new Audit Committee members. I thank them for their attendance and contribution during this year.
- Continuing with more regular meetings between myself and the Vice Chair with the Head of Internal Audit
- Further informal discussions with officers regarding issues such as, central government grants to business and social care providers and ongoing progress over the North Bridge Stores Transformation Project and the implementation of management actions arising from the Trading Standards and Food and Animal Safety Reviews
- A much lower number of new actions have been raised again during this year due to the prioritised work of the Internal Audit Team resulting in :
 - More work has been done this year in checking that government grants have been properly paid over to recipients

which was a welcome change as I feel the meetings work much better in that forum.

We noted last year the continued improvement in risk governance and control in the Adults, Health and Wellbeing Directorate and I was pleased to note the implementation of their final management action during this year.

We were also reassured that the reporting of Contract Procedure Rule breaches and waivers within the Adult Social Care and Public Health settings had followed due processes. Assurance was given that these had arisen for justifiable reasons and that appropriate remedial actions were in hand.

We have concentrated attention on the management actions in the Trading Standards and Food and Animal Safety Reviews and it is reassuring in the final quarter of this year to receive much more positive reports in this area.

Within the wider Council, the Committee is pleased to note the much lower level of overdue management actions and understand these are due to several factors:

- Internal Audit and Directorate Management have continued the practice of rigorously pursuing the completion of all management agreed actions.
- Confirmation by External Audit that the Council has in place the arrangements required to achieve its objectives and deliver its services

- Increasing amounts of audits have resulted in substantial assurance opinions being given which have no/less management actions needed.
- Higher levels of advisory and investigative work have been carried out.
- Improvement in risk, governance and control is also apparent in the much reduced number of unplanned reports presented to committee which is particularly reassuring in these continuing unprecedented times.
- The area of greatest concern brought to the committee in the 2020/21 year was the ongoing concerns over the North Bridge Stores operations which were particularly highlighted in the storage and distribution of Personal Protective Equipment in the 2020/21 year. It has been reassuring to note the progress being made over this function through its Transformation Programme. I am seeking assurance of progress becoming embedded in this function in the next year through the Internal Audit Team.
- Another positive External Audit unqualified opinion on the Council's Statement of Accounts, delivered to challenging timescales and ahead of many other Local Authorities.
 - economically, effectively and efficiently through the new and more detailed approach to Value For Money.
- We have continued working well with our External Auditors, Grant Thornton, under the constraints of increasingly technical complex audit issues around property, plant and equipment valuations and also of pension funds. They also had the challenges of auditing virtually and other staffing issues caused by the COVID-19 pandemic. We appreciate this even more given the increasing challenges highlighted last year within the Redmond Review regarding the national shortage of suitably qualified and experienced staff in the Public Sector.
- A strong and positive Annual Governance Statement highlighting a reduced number of issues compared to previous years. The Committee has been provided with regular progress reports in this key area which has helped maintain our oversight of our key governance concerns.
- A strong and positive opinion from the Head of Internal Audit in his Annual Report; this is particularly reassuring during this ongoing challenging period.
- A reassuringly positive external review of our Internal Audit Service awarding the highest level of conformance to their relevant professional standards
- A strong and positive Annual Preventing and Detecting Fraud and Error report indicating low level values and incidents of fraud. This remains

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 continued to be received during this year.

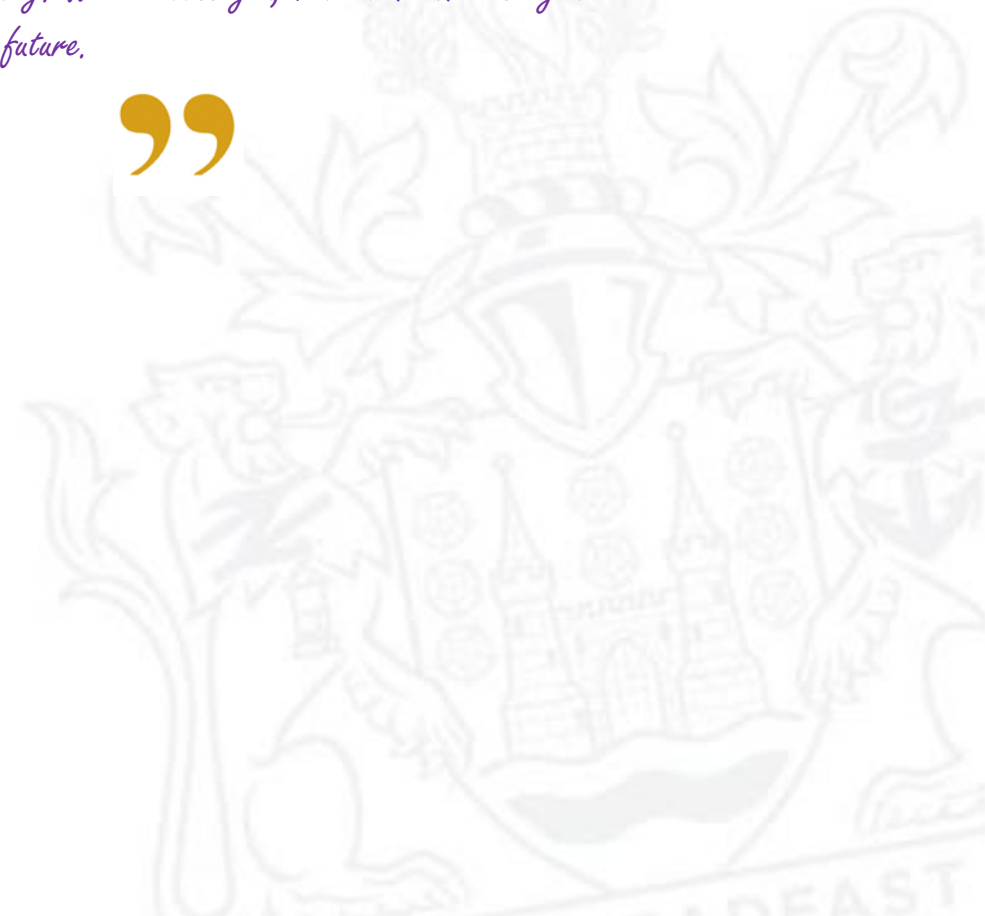
- A review of the effectiveness of the Audit Committee was carried out with positive outcomes. A further review and update of the Self-Assessment against best practice from CIPFA “Audit Committees / Practical Guidance for Local Authorities and Police” also was positive.

I finish this year’s foreword with a heartfelt thank you from myself personally and other members of the Audit Committee and Officers supporting the Committee to our outgoing first independent member of the Audit Committee, Katherine Smart.

Katherine has given eight years of extremely valuable help, support and guidance, both formally and informally. We will miss you, Katherine and wish you well in the future. We are pleased to welcome on board Dr Stuart Green as our newly recruited Independent Member of the Audit Committee pending formal appointment at Annual Council in May 2022 and look forward to the support and guidance that this role gives.

“*Katherine has given eight years of extremely valuable help, support and guidance, both formally and informally. We will miss you, Katherine and wish you well in the future.*”

”



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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 or at the Annual Meeting of Council in May 2021.

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 changed during the 2021/22 year.

Audit Committee Membership

The Committee has five elected members. At the start of the year, these were



- Councillor Austen White (Chair)
- Councillor Richard Jones (Vice Chair)
- Councillor Charlie Hogarth
- Councillor Tosh McDonald
- Councillor David Nevett

Following the elections and subsequent committee appointment process, the following are the current five elected members:



- Councillor Austen White (Chair)
- Councillor Glenn Bluff (Vice Chair)
- Councillor Barry Johnson
- Councillor Sophie Liu
- Councillor David Shaw

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:



8th July 2021
29th July 2021
28th October 2021
26th November 2021
26th January 2022
28th April 2022

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

The committee timetable has run broadly to pre-pandemic timings. The exception to this was the approval of the 2020/21 Statement of Accounts and to recommend the adoption of the 2020/21 Annual Governance Statement.

This was done at the November 2021 meeting of the Audit Committee making this meeting particularly important in the committee fulfilling one of its key responsibilities.

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 2021/22.

COMMITTEE ACHIEVEMENTS

A list of the reports considered by the Audit Committee can be found in **Appendix A**.

The main outcomes of the Committee's work in relation to its core functions and discharging its terms of reference can be summarised as follows:

Internal Audit

The Audit Committee:

- Received and considered the 2021/22 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 new and emerging risks, special investigations and the ongoing Covid pandemic. The reports also provided monitoring information on the implementation of agreed audit recommendations.
- Read and considered the External Quality Assessment of the Council's Internal Audit Service
- Received and considered the Counter Fraud Report
- Continued to provide support to the Internal Audit Team to ensure management was responsive to agreed actions arising from audit recommendations. This was particularly notable for the Trading Standards and Food and Animal Safety areas where significant delays had been reported.
- Agreed the Internal Audit Annual Plan for 2022/23.

External Audit

The Audit Committee:

- Received and considered reports on the External Auditor's progress and sector update
- Received and considered a report over Arrangements for the Appointing of External Auditors
- Received and considered report to Those Charged With Governance (ISA 260 Report) 2020/21.
- Received and considered report over the Auditor Annual Report
- Received and considered report covering the Audit Plan 2020/21
- Continued to provide support to the External Auditors to ensure management was responsive to recommendations made and agreed.

The positive assurance from these reports were particularly helpful in this year again where the Council's risk governance and control arrangements continued to be 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.
- Received and considered the Preventing and Detecting Fraud and Error 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.

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:

- Progress Reports on North Bridge Stores Transformation Project

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.

Following the elections and subsequent appointments process in May 2021, there were four new appointments to the Audit Committee. There was a general induction to all new councillors followed by an induction and refresher session for all Audit Committee members in May 2021.

A review of the Effectiveness of the Audit Committee was undertaken in March 2022 which confirmed compliance with best practice. A record of this assessment is attached at Appendix B. A further questionnaire was completed which acknowledged the experience of the Chair and Independent Member supporting the incoming new members of the Committee.

All Audit Committee members completed a skills and knowledge self-assessment and any training needs were identified and appropriate action taken

All audit committee meetings have been held in person in our Council Chamber for this year unlike the previous year whereas the training and updates sessions which were provided to the Audit Committee have been maintained virtually. The training and update sessions were based around the agenda items being considered at the forthcoming committee meeting so members had an understanding of the background to these areas. Topics included:

- Accounts Preparations and Training/Awareness on the Statement of Accounts

- Background to the North Bridge Stores Transformation Project
- Preparation of the Draft Annual Governance Statement
- Work of the Internal Audit Team
- Work of the External Auditor including an update on the Redmond Review and Value for Money Assessment work
- Work of the Strategic Procurement team and Contract Procedure Rules.
- Self-assessment against best practice for audit committees
- Internal Audit Planning 2022/23
- Head of Internal Audit Opinion for 2021/22
- Governance Updates



AUDIT COMMITTEE ACTIVITY – 2021/22

Appendix A

Agenda Item	8 th July 2021	29 th July 2021	28 th Oct 2021	26 th Nov 2021	26 th Jan 2022	28 th Apr 2022
Audit Committee Actions Log	Received	Received	Received	Received	Received	Received
Annual Report of the Monitoring Officer 2020/21	Received					
Unaudited Statement of Accounts 20120/201	Received					
Audit Committee Prospectus, Terms of Reference and Work programme 2021/22	Received					
Covert Surveillance – Regulation of Investigatory Powers Act 2000 (RIPA) Update		Received			Received	
2020/21 Draft Annual Governance Statement – Progress Update		Received				
Internal Audit Strategy and Internal Audit Charter		Received	Received			
Internal Audit Progress Report for the period: April 2021 to June 2021		Received				
Progress Report on North Bridge Stores Transformation Project		Received	Received		Received	Received
Grant Thornton – Audit Committee Progress Report and Sector Update		Received	Received			
Summary Report on Action Following the in-quorate Audit Committee Meeting on 29 th July 2021			Received			
Breaches and Waivers to the Council’s Contract Procedural Rules March 2021 to August 2021			Received			
Internal Audit Progress Report for the period: July 2021 to September 2021			Received			
Audit Planning Risk Assessment and Accounting Estimates			Received			
Arrangements for the Appointing of External Auditors			Received			
Statement of Accounts and Annual Governance Statement 2020/21 – Draft ISA 260 Report to Those Charged With Governance				Received		
Preventing and Detecting Fraud and Error: October 2020 to September 2021				Received		
External Quality Assessment of the Council’s Internal Audit Service					Received	
Internal Audit Progress Report for the Period: October to December 2021					Received	
Annual Report of the Monitoring Officer 2021/22						Received
Breaches and Waivers to the Council’s Contract Procedural Rules September 2021 to February 2022						Received
Draft Annual Governance Statement 2021/22						Received
Audit Committee Annual Report 2021/22						Received
Annual Report of the Head of Internal Audit 2021/22						Received
Counter Fraud Activity Report 2021/22						Received
Internal Audit Plan 2022/23						Received
External Auditor (Grant Thornton) Auditor Annual Report 2020/21						Received
External Auditor (Grant Thornton) Audit Plan 2021/22 and Arrangements for the preparation of the 2021/22 Accounts						Received
Appointment of the independent Co-opted member of the Audit Committee						Received

Evaluating the effectiveness of the audit committee

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
1. Promoting the principles of good governance and their application to decision making	■ Supporting the development of a local code of governance	Local Code of Governance approved 2018 and reviewed in October 2020 and March 2021	5
	■ Providing robust review of the AGS and the assurances underpinning it	Supporting arrangements for production of AGS and checking and challenging on items included on the statement and on update reports to each committee	5
	■ Working with key members to improve their understanding of the AGS and their contribution to it	Supporting arrangements for production of AGS and checking and challenging on items included on the statement and on update reports to each committee	4
	■ Supporting reviews/audits of governance arrangements	Attending separate briefing on the production of the AGS in addition to considering Audit Committee reports	4

<ul style="list-style-type: none"> ■ Participating in self-assessments of governance arrangements 	All such reviews supported	4
<ul style="list-style-type: none"> ■ Working with partner audit committees to review governance arrangements in partnerships 	Self-assessments of Audit Committee completed in 2019 and 2021 and 2022. No other areas identified	4
	Limited scope for benefit – arrangements at SLHD working well. Separate governance / improvement arrangements in place with DCST	

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment See key above
2. Contributing to the development of an effective control environment	<ul style="list-style-type: none"> ■ Actively monitoring the implementation of recommendations from auditors 	Very highly supportive to auditors especially internal audit – conveyed concerns to Chief Executive again in 2022 – regularly call officers to account	5
	<ul style="list-style-type: none"> ■ Encouraging ownership of the internal control framework by appropriate managers 	Calling managers to account at audit committee	5
	<ul style="list-style-type: none"> ■ Raising significant concerns over controls with appropriate senior managers 	Seeking further updates on areas of concern	5

3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	<ul style="list-style-type: none"> ■ Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking 	Active engagement with risk management including contributing to policy review and risk appetite etc.	4
	<ul style="list-style-type: none"> ■ Monitoring improvements 	Yes – e.g. monitoring implementation of AGS actions and from auditors	4
	<ul style="list-style-type: none"> ■ Holding risk owners to account for major/strategic risks 	Each Director during 2017/18 had to report on management of their key risks	3
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	<ul style="list-style-type: none"> ■ Specifying its assurance needs, identifying gaps or overlaps in assurance 	review of internal and external audit plans, AGS other review bodies, eg OFSTED	3
	<ul style="list-style-type: none"> ■ Seeking to streamline assurance gathering and reporting ■ Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit 	Approved streamlined AGS process – review of IA and EA work External Quality Assessment of Internal Audit in 21/22 v positive – Risk Management framework to be reviewed by committee early 22/23. External Audit subject to much more rigorous checks	3 – further work beneficial in this area as confirmed in CIPFA Role of Head of Internal Audit 2019 – CIPFA SIG to provide further advice 3
5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	<ul style="list-style-type: none"> ■ Reviewing the audit charter and functional reporting arrangements 	Review of the charter an during External Quality Assessment confirmed organisational independence	5
	<ul style="list-style-type: none"> ■ Assessing the effectiveness of internal audit arrangements, 	External review of internal audit gave encouraging	5

providing constructive challenge and supporting improvements

feedback Challenge on progress reports ensuring assurance over sufficient resources and review of internal audit plans

- Actively supporting the quality assurance and improvement programme of internal audit

external assurance review and quality assurance Improvement plan – action plan reported and monitored

4

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	<ul style="list-style-type: none"> ■ Reviewing how the governance arrangements support the achievement of sustainable outcomes 	This is a standard paragraph for all corporate reports	4
	<ul style="list-style-type: none"> ■ Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place 	Capital programme is covered in budget approved by full council and other oversight arrangements	4
	<ul style="list-style-type: none"> ■ Reviewing the effectiveness of performance management arrangements 	Covered through quarterly performance reports reported through to cabinet	4
7. Supporting the development of robust arrangements for ensuring value for money	<ul style="list-style-type: none"> ■ Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee 	External Auditor concluded very positively in Annual Audit Report in greater depth than previous years in accordance with revised standards.	4
	<ul style="list-style-type: none"> ■ Considering how performance in value for money is evaluated as part of the AGS 	All corporate reports include financial implications. AGS has section covering VFM	3

8. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks	<ul style="list-style-type: none"> ■ Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) 	Policies in place meet standards and are set out in annual preventing fraud and error report	4
	<ul style="list-style-type: none"> ■ Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks 	<p>Fraud risks reviewed annually by IA and reported as part of annual counter fraud report and informs IA counter fraud planning process. Further review undertaken to ensure meeting standards set out in Fighting Fraud Locally are being met with an action plan where arrangements can be strengthened</p>	4
	<ul style="list-style-type: none"> ■ Assessing the effectiveness of ethical governance arrangements for both staff and governors 	<p>Full suite of policies and procedures are available for staff and councillors</p> <p>3 – promote the work of the committee and encourage wider attendance</p>	

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
9. Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability	<ul style="list-style-type: none"> Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English 	Continued reminders to use plain English, avoiding acronyms All agendas published on internet – recording accessible of all meetings	4
	<ul style="list-style-type: none"> Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency 	Clearly set out process for reporting in place and under review	3
	<ul style="list-style-type: none"> Publishing an annual report from the committee 	Audit committee annual report published for several years	4



Doncaster Council

Report

Date: 28th April 2022

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

ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2021/22

EXECUTIVE SUMMARY

1. This report provides information on the work of Internal Audit during 2021/22, 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. 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.
3. 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 2021/22 were adequate and operated effectively during the year.

Implementation of Agreed Management Actions arising from Audit Recommendations

4. The area of concern during the 2021/22 year continued to be Trading Standards and Food and Animal Safety. There had been 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 at the beginning of the year. The work of the team had to be constantly reprioritised during the year, but in quarter four, significant progress was made in implementing many actions such that at the end of the year there were only 7 actions overdue but all of which were in line with the revised implementation dates that had been authorised by the Chief Executive. There are now appropriate management arrangements for the completion of the remaining actions such that this is no longer regarded an area of concern.
5. There are only 9 actions overdue across the authority. Arrangements to follow up on agreed management actions are considered effective and the authority is in a strong position regarding the very low number of overdue actions.

Areas of Concern

6. Our work this year has not identified any areas to be considered for inclusion in the Council's Annual Governance Statement.
7. North Bridge Stores was given a "no assurance" rating at the end of our review in the 2020/21 year. Progress is being made in improving operations which will continue into the 2022/23 year and these revised arrangements will be subject to a full review in 2022/23 by Internal Audit to provide assurance that appropriate arrangements are in place and are continuing to be applied.
8. An External Quality Assessment was carried out during the 2021/22 year which confirmed the highest level of conformance with the relevant public sector internal audit standards as detailed in paragraphs 4.23-4.29 of Appendix 1.

EXEMPT REPORT

9. Not applicable, for information only.

RECOMMENDATIONS

10. The Audit Committee is asked:
 - To note the Internal Audit Annual Report for 2021/22, including confirmation that the Council's governance, risk management and control arrangements were adequate and operated effectively during the year.
 - To note the Head of Internal Audit's self-assessment and the confirmation from the External Quality Assessment that the service is compliant with the Public Sector Internal Audit Standards and met the highest assessment standard against their professional auditing

standards in the external assessment.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

11. 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

12. 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

13. Not applicable - for information only.

REASONS FOR RECOMMENDED OPTION

14. Not applicable - for information only.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

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

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

	<ul style="list-style-type: none"> • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>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

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

LEGAL IMPLICATIONS (Initials: SRF Date:08.04.22)

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

FINANCIAL IMPLICATIONS (Initials: SJT Date:12.04.22)

18. 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 (Initials: SH Date: 08.04.22)

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

TECHNOLOGY IMPLICATIONS (Initials: NS Date: 06.04.22)

20. 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. All actions were prioritised and have now been delivered and fully implemented.

HEALTH IMPLICATIONS (Initials: RS Date:06.04.22)

21. 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 (Initials PRJ Date:19.04.22)

22. 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

23. 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

24. 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 2021/22

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 During 2021/22 Internal Audit have still been dealing with the impact of the Covid-19 pandemic and have been undertaking Covid-19 associated work, most notably in the area of Business Rates Grants post payment checks and other Covid grant payments. However, there has also been a move back to business as usual.
- 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.

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 have an establishment of 8.80 which is slightly higher than the previous 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 2021/22 year to those responsible for governance which includes the Audit Committee, Chief Executive, Management Team and Chief Financial Officer.

Audit Work Undertaken

- 4.4 The service delivered less assurance work than envisaged due to other demands. However this was higher than the 2020/21 year when the team were supporting the wider needs of the Council for a period as well as engaging in other responsive work.
- 4.5 Whilst the team have delivered a different workload to that planned, 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, including the high volume of post assurance payments checks 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 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 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.
- Further work has continued to be done this year in checking various central government grant paid over by the Council with the biggest area being business grants
- Internal Audit and Directorate Management have continued the practice of rigorously pursuing the completion of all actions.

4.8 A review of this area covering the last five years does identify that good progress is being maintained in overall terms. During the 2016/17 year there were over 100 overdue management actions and as can be seen now, the situation is very much more under control. Further commentary is set out below.

Directorate	Number of high risk level recommendations overdue					Number of medium / lower risk level recommendations overdue				
	At 15/03 18	At 19/03 19	At 10/03 20	At 11/04 21	At 11/04 22	At 15/03 18	At 19/03 19	At 10/03 20	At 11/04 21	At 11/04 22
Adults, Health and Wellbeing (AHWb)	3	4	1	0	0	8	30	0	3	0
Economy & Environment (EE)	1	0	3	4	1	15	9	10	31	8
Corporate Resources (CR)	0	0	0	0	0	14	3	7	12	0
Learning & Opportunities (Children & Young People) (LOCYP)	0	0	0	0	0	5	3	0	0	0
TOTAL	4	4	4	4	1	42	45	17	46	8

4.9 The area of concern during the 2021/22 year continued to be Trading Standards and Food and Animal Safety. There had been 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 at the beginning of the year. The work of the team had to be constantly reprioritised during the year, but in quarter four, significant progress was made in implementing many actions such that at the end of the year there were only 7 actions overdue but all of which were in line with the revised implementation dates that had been

authorised by the Chief Executive. This are now appropriate management arrangements for the completion of the remaining actions such that this is no longer regarded an area of concern.

- 4.10 Any individual high risk level management actions that are not implemented in line with agreed timescales as well as the numbers 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. This has also been further refined following concerns raised by the Audit Committee to that when it is clear that implementation of actions is proving problematic then future date revisions will be approved by the Director and escalated to the Chief Executive when necessary.
- 4.11 In summary, arrangements to follow up on agreed management actions are considered effective and the authority is in a strong position regarding the very low number of overdue actions.

Performance Indicators

- 4.12 The indicators are shown below along with current performance for the year April 2021 to March 2022.

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 has not been reported for the last two years as it has been concluded that this is not a relevant indicator when plan should be being revised to reflect new and emerging risks and demands which have certainly been experienced in these 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 an annual plan drafted whilst still in a volatile environment and ever evolving organisational needs.
- 4.14 With this in mind, a pulse survey was carried out in the summer of 2021. The outcomes from the Internal Audit Pulse Survey were extremely

positive with an 86% response rate providing strong ratings on the 5 key questions asked as well as very positive comments. It also sets out some areas for potential development / improvement that have been drawn from the responses and these areas are captured within an Improvement Plan that the team are working on.

4.15. For each question a breakdown of the responses is set out below:



4.16 It was pleasing to note that there were many positive and constructive comments, with many respondents making the same comments. For example:

- The audit team are 100% professional in their approach;
- Methodical and ambassador's for the service
- A supportive and knowledgeable service that goes beyond the norm
- Excellent / positive / quality service – standards are consistent across the Team
- Excellent critical friend
- Flexible when needed
- Responsive approach helpful engagement and awareness of service areas within directorate
- Helpful and on hand to provide advice
- Open and honest with feedback
- Challenge service delivery
- Timely, clear, concise, easy to follow reports

- 4.18 Importantly, also, it sets out some areas for potential development / improvement that have been drawn from the responses and these areas are captured within an Improvement Plan that the team are working on. These areas are:
- Join forces more with other teams to share intelligence / deep dives with other service areas
 - Follow –up process
 - Timing of audits
 - Resource review
 - Too helpful / responsive
- 4.19 Results relating to high risk rated recommendations remain very positive. Internal audit reports have all been issued within target timescales under our control. This has been aided by the lesser amounts of reports issued.
- 4.20 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 continued to receive 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 the pulse survey strongly supports this. However, we do need to obtain specific feedback to ensure we are delivering valued work and help improve the service. Accordingly, arrangements are being made for mandatory feedback to be obtained.
- 4.21 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.
- 4.22 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)

- 4.23 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 October 2021 Audit Committee and reflects both strategic and operational changes as a result of 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. Rotherham's Council's Internal Audit Service reviewed our compliance with the Standards during 2021/22 (see below).
 - All instances of non-compliance with the UKPSIAS are reported to the Audit Committee.
- 4.24 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 enhancing and protecting organisational value. 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. As this year has been less problematic than the previous one, it is clear that the expectation to meet our professional standards stands and this self-assessment is supported by the External Quality Assessment.

External Quality Assessment

- 4.25 Auditing standards require an external assessment of the Internal Audit service to be conducted at least once every five years. In late 2021, Internal Audit was reviewed by the Head of Internal Audit from Rotherham Council. A separate report was produced following the External Quality Assessment and this was reported to the Audit Committee at its meeting on 26th January 2022.
- 4.26 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.
- 4.27 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 evidence based. It provides stakeholders with the reassurance that they can place reliance on the quality of the work that Internal Audit delivers. This complemented the internal feedback from the "Pulse Survey" carried out in summer 2021 demonstrating very high levels of customer satisfaction with the service.
- 4.28 Four minor recommendations were made, one of which was to report upon the improvement plan that was already in place from the Head of Internal Audit's self-assessments. Actions and progress are set out in the Action plan at Appendix A

Quality Assurance Improvement Programme

4.29 This year's quality assurance improvement programme included:

- A sample of jobs has been reviewed as part of the External Quality Assessment 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 is ongoing 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 recommendations made by the CIPFA Internal Audit Special Interest Group and our definitions reflects those recommended. 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 2021/22, the large majority of areas audited received positive audit opinions. Summary details are provided below (para 5.4 onwards) for areas where significant weaknesses were found and reported.

Items for Inclusion with the Annual Governance Statement

5.3 Our work this year has not highlighted any areas to be considered for inclusion in the Council's Annual Governance Statement.

Other Areas of Significant Concerns

5.4 The following areas of work identify concerns of a significant nature:

North Bridge Stores

5.5 This area was given a "no assurance" rating at the end of our review in the 2020/21 year where stock management of PPE had exposed previous weaknesses highlighted by previous internal audits. The issue and concerns were highlighted as part of the Annual Governance Statement review meeting for 2020/21 with input from key officers with Governance responsibilities. 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.

5.6 As a result of our work in 2020/21, at the start of 2021/22, a process driven review “North Bridge Stores Transformational Project” was established and monitored by Senior Management and strongly supported by a member of the Policy, Insight and Change Team. This review involved, 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 have been assisting with the process where required, generally in attending the stores stakeholder meetings and giving feedback on procedures that have been created. Regular update reports have been brought to the Audit Committee throughout 2021/22. These reports have highlighted the following:-

- Key stakeholders within all of the work areas that impact, support or use the Stores function were identified to enable issues to be identified and addressed.
- There has been a thorough clean, tidy and organisation of the physical Stores buildings to make best use of available space, including the labelling and identification of all stocks and their locations.
- There has been a review of all supplier contracts and pricing/invoice agreements to ensure that we pay the agreed price and that invoice mismatches are reduced.
- Review of the product/supplier catalogue and products stocked to ensure all regular purchases are held within Stores to prevent teams purchasing directly themselves and paying a potentially higher price.
- All Standard Operating Procedures (SOPs) have been reviewed between October-December 2021 with key stakeholders, to ensure the most efficient practices could be implemented into the Stores function.
- A second full stock count was completed in January 2022 and showed improvement in stock variances and an improved awareness of causes of issues being identified.
- A questionnaire was sent to key users of Stores to ascertain current opinion and user experience. Overall, the survey revealed that the users have seen an improvement in the Stores operation.
- Cyclical stock takes of specific holding categories commenced from the end of January 2022.
- A full suite of Key Performance Indicators (KPI's) will be developed and implemented as part of this programme.

- 5.7 A full Stores Audit Review will be undertaken during 2022/23 and will be ensuring that the progress that has been reported is being embedded.

ICT Service Management review

- 5.8 A limited assurance opinion was issued for the ICT Service Management Review that was undertaken by Salford ICT Internal Audit Team on our behalf. Immediate action has been taken by Doncaster's ICT Team to address the high risk issues that had been raised so this area was quickly no longer deemed to be at a limited assurance level. All actions agreed from this review have been fully implemented.

Key Audit Work Undertaken During the Year

Main Financial Systems

- 5.9 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 2021/22 is Grant Thornton with whom we have developed effective working relationships since their appointment in December 2017.
- 5.10 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

- 5.11 We engaged the expertise of another local authority's ICT Internal Audit Team in early 2020 who have over forty 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. This was carried out again in December 2021 and this positive assessment of our ICT arrangements is an important assurance in this key risk area.

In addition to the ICT Service Management Review highlighted above / at 5.8, other audit work and advice is being delivered

Schools

- 6.1 Internal Audit also completed the following work in schools in 2021/22:
- 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

Business Rates Grants - Counter-Fraud and Assurance Work

7.1 A substantial amount of work has been undertaken by the Internal Audit team since the onset of the pandemic and will be continuing into the following 2022/23 year and onwards. The following summarises work undertaken to date and when accurate restated figures are available, these will be reported to the Audit Committee in a future Internal Audit Progress report

Work carried out in 2020/21 - Grants paid in 2020/21 - April to September

- 7.2 With the onset of a global Covid-19 pandemic, the Government recognised the impact on businesses across the country and introduced a series of business rate grants to help businesses during the crisis. These grants, whilst announced by central government, were passed to local authorities to administer on their behalf with specific and discretionary funding available for councils to support businesses in their area.
- 7.3 Owing to the speed of roll out of the grants, little guidance was available from the Government to determine what counter fraud checks should be undertaken before any grant was awarded and paid; however, Doncaster Council chose to undertake checks before payment of any grant amounts in order to verify the business and prevent as much fraud as possible. This has proven to have been a sound decision as set out in the Annual Preventing and Detecting Fraud and Error Reports for both 2020 and 2021.
- 7.4 The requirement to pay these grants out to businesses in a timely manner obviously put significant demand on the resources of Revenues staff and this has remained to date.
- 7.5 Internal Audit also undertook a series of post payment sample checks on grants paid up to September 2020 to provide assurance over our payment and checking arrangements and to ensure that we detected as much fraud and error as possible.
- 7.6 Our reviews showed that our arrangements were robust as noted in the Annual Preventing and Detecting Fraud and Error reports for the year ended 30th September 2020.

Work carried out in 2021/22 - Grants paid in 2020/21 – October to March

- 7.7 These grants continued throughout the 2020/2021 financial year with various different types of grant available including grants for businesses being forced to close by the Government's tier system. All of the grants were aimed at

helping businesses to weather the Covid-19 pandemic and the current economic climate.

- 7.8 We undertook further post payment sample checks on grants paid from October 2020 to March 2021 to provide assurance over our payment and checking arrangements and to ensure that we detected as much fraud and error as possible. Again, our reviews showed that our arrangements were robust.
- 7.9 We take part in the National Fraud Initiative (NFI) data matching exercises for Business Rates grants. This involves uploading details of grant payments which are matched against other nationally submitted records in order to detect further fraud and error.
- 7.10 Data for grant payments made up to September 2020 was uploaded and matches received back from the initiative were investigated by Internal Audit. Most of these issues were already known and had already been dealt with by Business Rates staff through pre-checks at application stage. No further fraudulent grant claims were found.
- 7.11 We also participated in national data exercises in 2021/22 with BEIS (the Department for Business Energy and Industrial Strategy, the responsible government department) designed to look for further fraud and error on payments made between April 2020 to September 2020. Our reviews continued to show that our arrangements were robust.
- 7.12 The Government published guidance in December 2020 and again in March 2021 regarding the classification and recovery of fraud and error for these grants. All previous figures were reviewed in 2021/22 in light of this new guidance and as a result the figures were revised. In some cases, additional information was received on appeal that also meant that some cases previously classified as fraud or error were later accepted as eligible for the grant paid.

Work carried out in 2021/22 - Grants paid in 2021/22

- 7.13 In 2021/22 the government acknowledged the continuing impact on businesses across the country due to Covid and introduced additional business rate grants to support businesses further. These grants were issued to assist businesses in restarting trade and recovering from the effects of the pandemic.
- 7.14 No post assurance checks have been carried out on the grants paid from 2021 onwards as this grant payment data has been uploaded to the initiative and matches will be investigated when released (expected in April 2022) and action taken where it is appropriate to do so.
- 7.15 The Council are able to claim payment back from BEIS for any grants paid in error, fraudulent claims, or claims paid that are not compliant with the criteria of the grant as long as we have followed the prescribed recovery process. In December 2021 BEIS issued revised national guidance for the process

authorities should follow in efforts to recover any grants paid in error, fraud, or non-compliance.

- 7.16 BEIS have made it clear that all cases identified as fraud, or possible fraud must be reported in real time to the National Anti-Fraud Network (NAFN). This needs doing for all cases as it had not previously been required until this revised national guidance.
- 7.17 BEIS have also made it clear that all fraud cases must have been investigated fully in compliance with our local fraud policy. If we do not satisfy this, together with the minimum recovery process, BEIS will not accept the debt being referred to them.
- 7.18 Internal Audit are in the process of investigating all grant payments that have been identified as possible fraudulent claims. The outcome of this will be reported on at a later date. This will be an issue for all local authorities nationally.
- 7.19 The full extent of fraudulent payments will not be known until the work on investigating possible fraudulent cases and the NFI checks have all been completed and therefore is unable to be included in this report at this time.
- 7.20 Internal Audit have also been involved in pre-checking Omicron grant applications.
- 7.21 These grants were to support businesses in England most impacted by the Omicron variant. Firms in the hospitality, leisure and accommodation sectors, many of which had seen a decline in footfall and increased cancellations due to the Omicron variant, were able to apply for one-off grants of up to £6,000 per premise depending on rateable value.
- 7.22 The guidance for the Omicron grants stated that local authorities should carry out additional prepayment checks. For all Doncaster applications the application form information has been checked to resources such as Facebook, company websites, Companies House and Business Rates records. Bank statements were also requested. If the application information was verified, then the claim was accepted as a legitimate claim. However, before any payment was/is made the claim data was/will be uploaded to the NFI database who perform/ed a company check and a bank account verification check. Where the verification checks carried out by NFI have failed, further checks are being conducted by Internal Audit to ensure the claim is legitimate before payment is released.
- 7.23 The processing of the Omicron grant claims is ongoing and as such the outcomes of this exercise are not yet known and will be reported at a later date.
- 7.24 Our decision to undertake checks before payments were made continues to result in low values of fraud with very low levels of grants paid by value being identified as fraudulent. Recoveries are being undertaken where frauds and errors have been identified; this recovery is in line with the instructions from

BEIS.

Other Covid Grants – non Business Rates

- 7.25 Throughout the Covid-19 pandemic there have been various other grants that the Council has administered outside of Business Rate Grants. 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. Some have been Council generated grants, such as the Fighting Back Fund and the Ward Based member grants.
- 7.26 Some such grants are still being highlighted and new grants continue to develop. Internal Audit has continued to carry out 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.
- 7.27 As Internal Audit resources are finite, detailed work has / will only be undertaken for grants where reliance cannot be placed on other governance controls e.g. routine returns to Central Government are required, hence some form of external checking is undertaken. Where further Internal Audit work has been identified, the grant is then categorised as ‘subject to internal audit review’ and can then be scheduled within the Internal Audit work plan.
- 7.28 32 such Covid-19 related grants have been identified to date. Work undertaken or in progress by Internal Audit, in this area, can be demonstrated by the table below showing the current risk assessment category each grant has been given:

Current grant assessment category	Number of grants
Subject to management oversight and internal reporting/scrutiny – no further work –	1
Subject to Internal Audit review and/or sign off.	9
Monitoring reports submitted to central government – no further work	3
Internal Audit risk assessed as low risk – no further work	6
Internal Audit risk assessment ongoing / due to be undertaken	13

- 7.29 Although there are still a significant number of grants risk assessments to be finalised, all completed work undertaken in this area has been positive and contributes to the overall opinion of the Head of Internal Audit.
- 7.30 Further updates will provided to the Audit Committee during 2022/23 as appropriate

Other Grants – unrelated to Covid-19

- 7.31 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.
- 7.32 Additionally, for this financial year, as part of grant funding conditions we have been required to review the 'one off' Property Flood Resilience Scheme and the initial phase (Phases 1A) of the Local Area Delivery (LAD) Grant (aimed at increasing the energy efficiency of properties). These new grants also received positive sign offs.

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 2020/21 year.
- 8.2 Details of suspected irregularities and other supportive / advisory work are set out in the Annual Preventing and Detecting Fraud and Error Report but 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 Preventing and Detecting Fraud and Error report which is further supported through extensive analysis in the Counter Fraud Activity Report. Instead, this work actually contributes to a positive opinion over our control arrangements.

9. Assessment of the Council's Governance, Risk Management and Control Arrangements for the Year to 31st March 2022 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 continued to be used in a different way to previous traditional years, we have continued to obtain assurance from all aspects of our work
- 9.4 We have continued to mapped out and assess 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 continued 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 I have maintained confidence in being able to provide an opinion that would be both positive and without limitation as set out in my progress reports to Audit Committee, although caveats had always been attached to that opinion.
- 9.6 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 2020/21 had been drafted at April 2021 which remained positive upon finalisation of the accounts in November 2021.
- A very positive Annual Governance Statement for 2021/22 has been drafted at April 2022.
- There were two key areas of concern in my 20/21 annual report – North Bridge Stores and Trading Standards and Food and Animal Safety. Good progress is reported in more detail within this report
- 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.
- A positive Annual report of the Audit Committee demonstrates this key committee discharging it responsibilities throughout the year and highlighting the positive contribution it has made or noted.
- The Monitoring Officer report for 2021/22 also reflect low levels of conduct issues and whistleblowing incidents

- 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

9.7 Accordingly, with the assurance from the year to date in managing with the continuing 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

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

9.9 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.

9.10 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 both 2020/21 and 2021/22 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.

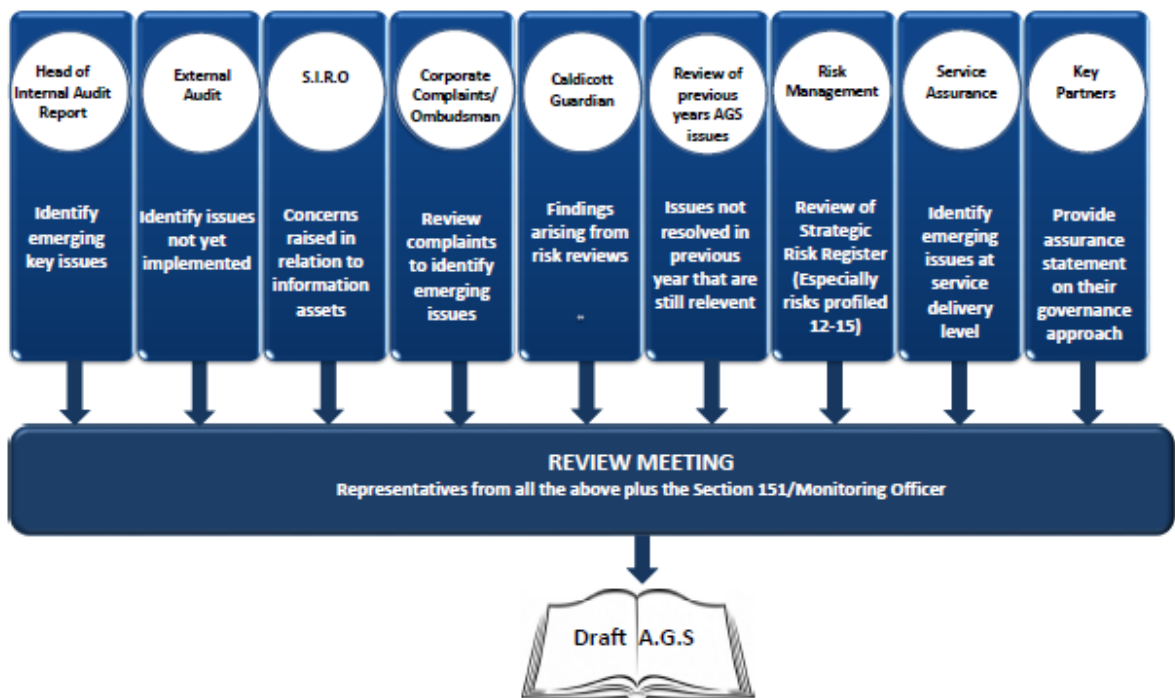
The fraud risk register will be used by both management and Internal Audit Services to focus anti-fraud and corruption resources and training on raising the awareness of fraud and corruption and its associated effects. Fraud Risks are regularly reviewed and reported upon by the Council's Internal Audit 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 2022/23 Year.

- 9.11 The Council's Performance Management Framework has been reviewed in Quarter 4 of 2021/22 incorporating updates to risk management. The Performance Management Framework is due to be rolled out in Quarter 1 of 2022/23. Alongside the roll out there will be a strong focus on awareness and training of the Performance Management Framework. It is planned that Internal Audit will undertake a compliance audit working alongside its Performance Insight and Charge Team to provide assurance that the Framework has been successfully embedded in all areas. It is anticipated that this will be towards the end of 2022/23 in order to ensure that the Council has had sufficient time to apply and fully embed the new Performance Management Framework.
- 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 forty 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 again in 2021 and this positive assessment of our ICT arrangements is an important assurance in this key risk area.

- 9.14 A cybersecurity programme risk assessment has also been undertaken by the Council’s insurers which provided helpful reassurance over this very high risk area.
- 9.15 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.
- 9.16 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

- 9.17 Internal audit must assess and make appropriate recommendations for the improvement of governance processes including ethics and values within the organisation.
- 9.18 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.



- 9.19 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 again this year was regarding the impact of the Covid-19 pandemic on the service and service users. The responses provided supported our understanding of the ongoing Covid-19 pandemic impact and this was reassuring as it confirmed we had been able to continue maintaining our corporate insight of the organisation despite the ongoing challenges presented by the pandemic.

- 9.20 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
- 9.21 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.
- 9.22 The positive view is further confirmed in the Annual Report of the Monitoring officer
- 9.23 In addition, the External Auditor, Grant Thornton completed their much more detailed review of our Value for Money arrangements in March 2022 as required under their Code of Auditors Practice. This is a positive report for the Council. It did not identify any significant weaknesses and therefore did not raise any of the more serious "key" level recommendations. The report makes many positive observations over our governance arrangements and this is a further helpful contributory assessment of our arrangements.
- 9.24 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

- 9.25 The internal audit activity must assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.
- 9.26 We have 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 ongoing work on the Covid-19 grants as well as the traditional, non-Covid-19 related grants also continues to positively support my control opinion.
- 9.27 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. Significant progress has been made in this area during the year.
- 9.28 The annual Preventing and Detecting 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.
- With the onset of a global Covid-19 pandemic, the government recognised the impact on businesses across the country and introduced a series of additional business rate grants to help businesses during the crisis. These grants continued throughout the period covered by this report with various different types of grant available covering everything from businesses being forced to close by the Government's tier system to business restart / recovery grants, all aimed at helping businesses to weather the Covid-19 pandemic and the current economic climate. We have continued to vet applications for the various types of grant application received and have undertaken a series of post payment sample checks to provide assurance over our payment and checking arrangements and to ensure that we detect as much fraud and error as possible. We have also actively participated in national data exercises with BEIS (the Department for Business Energy and Industrial Strategy, the responsible government department) designed to look for further fraud and error.

9.29 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. These grants continued to be administered by local councils on behalf of the Government which has taken considerable resources to check and process applications, carry out post payment checks, report to Government and investigate possible fraudulent payments. Work will continue into the new financial year on data matching exercises, checking any payments which may have been fraudulently made. We have now paid out in excess of £110m for these grants with a rate of fraud or error detected below 1% with further checks continuing to be made as noted above.

9.30 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.

9.31 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.

9.32 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.

- 9.33 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

- 9.34 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 as I did last year 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 continuing environment they have operated in.

- 9.35 Their insight and judgement has continued to be paramount in all their work and I thank them again for their dedication, application and professionalism in another challenging year.

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 2021/22 were adequate and operated effectively during the year.

Peter Jackson

Head of Internal Audit

28th April 2022



Doncaster Council

Report

Date: 28th April, 2022

To the Chair and Members of the
AUDIT COMMITTEE

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

COUNTER FRAUD ACTIVITY REPORT

EXECUTIVE SUMMARY

1. The attached report covers the Council's Counter Fraud Plan for 2022/23. This plan has been constructed in line with the Council's Anti-Fraud, Bribery and Corruption Framework (as approved by the Audit Committee in April 2021) and in line with the Fighting Fraud and Corruption Strategy 2020 for Local Government.
2. 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;
 - Horizon scanning for new fraud risks and the assessment of fraud risks for the Council;
 - Assessments of counter fraud resource levels; and
 - Presentation of the new Counter Fraud Plan for Doncaster Council 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).
3. Fighting Fraud and Corruption Locally Strategy 2020 resulted in the audit plan last being presented in a different way to previous years in that it has a plan for both non-fraud and fraud related work. This has been continued this year. 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.

EXEMPT REPORT

- This report is not exempt.

RECOMMENDATIONS

- The Audit Committee is asked to support and approve:
 - The Fighting Fraud and Corruption Locally Self-Assessment;
 - 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?

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

- 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.
- Counter fraud work is an expected element of every council's approach to fraud and is required under the Fighting Fraud and Corruption Strategy 2020.

OPTIONS CONSIDERED

- Not applicable

REASON FOR RECOMMENDED OPTION

- Not applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	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 	<p>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. Preventing fraud and deterring it saves money that can be spent on other activity.</p>

	Outcomes	Implications
	for keeping Doncaster Clean <ul style="list-style-type: none"> • Building on our cultural, artistic and sporting heritage 	
	Connected Council: <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	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.

RISKS AND ASSUMPTIONS

11. Failure to address fraud and corruption risks cause:-

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

LEGAL IMPLICATIONS [Initials: SRF Date:13.04.22]

12. The Council is obliged to minimise the loss of resources resulting from fraud and corruption. It is also obliged to publish the data in this report under the requirements of the Government's Transparency Agenda which assists the Council in demonstrating it is delivering value for money. This information will be published on the Council's website.

FINANCIAL IMPLICATIONS [Initials: SJT Date:12.04.22]

13. 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.
14. The financial benefits of effectively minimising fraud in this period can be found in the body of the report

HUMAN RESOURCE IMPLICATIONS [Initials: SH Date: 12.04.22]

15. 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 [Initials: PW Date:14.04.22]

16. There are no specific technology implications in relation to this report. However, cyber enabled crime continues to rise as outlined in the Counter Fraud Activity Report. A dedicated Cyber Security Team has been formed within Digital & ICT and the technical tools in place to deter and monitor cyber-attacks are continually being updated and implemented. The Council's technical security arrangements are also monitored annually by the Cabinet Office and various security audits are undertaken on a regular basis. A retainer with a specialist technical security company is also in place in case we need assistance in the event of a cyber-attack. Mandatory training in relation to cyber-crime, cyber security and staying safe on line is also being rolled out across the organisation.

HEALTH IMPLICATIONS [Initials: RS Date:12.04.22]

17. 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 [Initials NFW Date: 04.04.22]

18. 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

19. None

BACKGROUND PAPERS

20. The Fighting Fraud and Corruption Locally Strategy 2020 is available on the CIPFA website.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

21. 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**

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Counter Fraud Activity Report

2022/23



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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1. Introduction

- 1.1. This report outlines the Council's approach to counter fraud activity within Doncaster Council and St Leger Homes for the 2022/23 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 was refreshed and was last approved by the Audit Committee in April 2021 and is based on the Local Government Fighting Fraud and Corruption Strategy 2020. This remains the most current and most applicable set of guiding principles for counter fraud work in local authorities.
- 1.2. In line with our current strategy, this plan continues to be separate from the annual audit plan (as recommended by the Fighting Fraud and Corruption Strategy). This plan and the identified work within it has been assembled on the following basis:
 - A review of our strategy against the requirements of the Local Government Fighting Fraud and Corruption Strategy 2020 and the completion of an annual self-assessment against the requirements of this document (this assessment accompanies this report);
 - A review of the lessons learned and impact of the work completed under the 2021/22 Counter Fraud Plan (including the results of ongoing work under the National Fraud Initiative) to understand the impact of those findings on the Council's fraud risk landscape;
 - A review of the issues identified in completed internal audit work to inform our work on the state of internal controls that are used to both manage the Council's operations and (where applicable) manage fraud risks;
 - A review of the coverage of other counter fraud governance policies that manage specific fraud risks (such as insider fraud risks that are managed by the various internal HR policies and procedures – insider risks are those fraud risks where an internal employee rather than an external party is responsible for perpetrating the fraud);
 - Horizon scanning looking at likely upcoming changes in technologies, government strategy and policy and the Council's own activities and direction of travel to examine how those changes (or possible changes) affect the fraud landscape in which we operate;

- Research on fraud trends and new emerging frauds and new areas that may be vulnerable to existing fraud types in order to inform our understanding of risks and the areas that may be exploited by fraudsters.
 - Updating of the Council's fraud risk register and the fraud assurance maps taking into account the items above to identify areas of risk worthy of review
- 1.3. Annual publication of Counter Fraud Results, for both proactive and reactive work, is published in 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. It is an updated version of the previous self-assessment.
- 2.2. The self-assessment continues to show we are compliant with the requirements of the Fighting Fraud and Corruption Locally Strategy. All required actions were completed within the previous year. The only outstanding actions are continually ongoing actions that require annual review, for example those on ensuring the right skill sets and resources are available for the programme. No further actions have been identified.

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 was last approved by the Audit Committee in April, 2021.
- 3.2. This self-assessment, risk assessment and resulting plan has been produced in line with this framework and the strategy within it.

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. Fraud in the public sector is estimated by the Government to cost up to £52bn annually (Source House of Commons Public Accounts Committee June 2021). 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. 2021/22 was again a difficult year for public sector bodies with the continuation of COVID grants and the continued need for COVID supply chains. Whilst lessons were learned by both the Government issuing COVID grant schemes and by the local authorities who administered and paid them out, a heightened risk of fraud in these instances remained as fraudsters found different ways to exploit the ongoing situation. COVID isolation payments and the final Omicron COVID Business Grant schemes have now ended, however, final reconciliations and Government data matching on this area is yet to be undertaken. Counter fraud government data matching by the National Fraud Initiative for the grants from October 2021 to December 2021 were submitted in February, 2022 but the results are yet to be received for investigation. Payments made from January 2022 to the closure of the Omicron Grant scheme in March 2022 are yet to be submitted to the National Fraud Initiative. This submission will likely be in quarter one 2022/23 with the resulting matches for investigation being released in quarter 2, 2022/23. Again, this will continue to use significant amounts of counter fraud resources to check, submit, investigate and report on the resulting counter fraud matches returned by the National Fraud Initiative.



- 4.3. 2022/23 continues to be exposed to similar issues to those of the previous year. The Government's Cost of Living Grant being paid as a £150 Council Tax rebate is a new threat for 2022/23 and again poses a unique set of one off challenges. Whilst this grant / rebate is relatively small, it will undoubtedly be a target for fraudsters. Controls on the current scheme are being devised in order to minimise the risk of fraud and error in these payments as prevention is always better than the cure. However, this will continue to consume limited counter fraud resources and could have a negative effect

on other counter fraud work (detective and preventative work) if limited resources need to be diverted towards this kind of activity.

- 4.4. Looking forward for the year, it is very unlikely, given the end of free mass COVID testing and the end of legal COVID restrictions that further COVID grants will be made available by the Government or that there will be future lockdown events triggering further restrictions grants. Further cost of living grants, energy cost grants or economy boosting grants however, are a possibility and, if they emerge, will increase the demand for counter fraud work both in terms of scheme controls design, pre-payment advice and post payment counter fraud checks and investigative work into cases identified. This will continue to put pressure on resources.



- 4.5. Cyber enabled crime continues to rise. (This is any crime or fraud committed using technology). It remains one of the most difficult fraud types to stop as fraudsters continue to find and exploit technology vulnerabilities and exploit human weaknesses and human behaviour. It is highly unlikely that this fraud risk will ever decrease and it affects individuals, business and the council itself. Current fraud trends relating to ransomware and extortion after exploiting computer system vulnerabilities remain. The latest trends include the rise of so called “synthetic identities” – computer generated “people” with Facebook accounts and full back stories. These fake people are being used to befriend and scam individuals and businesses alike. Identity verification work on things like grants and insurance claims is, therefore, becoming more and more important.



- 4.6. Right to Buy fraud continues to be a significant fraud risk for the Council with discounts of up to 70% of the value of the property available to the tenant. A 10% rise in average house prices nationally makes this kind of fraud more attractive (there being more profit to be made in the illegal acquisition). Whilst cost of living rises are expected to have a breaking effect on the housing market, they are unlikely to significantly affect the fraudsters attempting to get hold of these properties. Right to buy sales fell during COVID restrictions but are



expected to again increase. This will increase the demand for pre-sale checks and counter fraud advice on sales.

4.7. 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 of fraud. Additional schools have been added to the Internal Audit Plan to address individual school weaknesses and make recommendations for improvement.

4.8. The Social Care Cap is due to be introduced from October, 2023 (please note that this scheme and its associated legislation are still under development and may change). Under current proposals, individuals (whether they arrange and pay for their own care or have their care arranged by their local council) will



start accruing costs towards their care cap and their care needs and care cap eligible expenditure will need to be tracked. This gives rise to a new form of social care fraud risk. There has always been a risk that, for social care users, income and assets may be hidden, misappropriated or misused to minimise costs or otherwise extract monies from the system. Whilst details of the scheme are not available to evaluate at the moment, these arrangements are likely to provide a new incentive to manipulate care costs to avoid care fees and therefore a new fraud risk from those arranging their own care that the Council has not been previously exposed to. As our understanding of this scheme and its associated risks develop, we will update our register and plan to provide the right counter fraud advice at the right time to minimise any potential implications for fraud.

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 2.

6. Counter Fraud Resource Levels

- 6.1. The Counter Fraud Plan, shown later in this document, currently comprises the equivalent 1.75 Full Time Equivalent employees (FTEs). This includes proactive, detective and reactive time (contingency elements for investigations) of the Counter Fraud Plan. It provides for minimal coverage only, however, 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 2022/2023) giving clear visibility of proposed coverage and gaps. Full explanations of the risks can be found in the Fraud Risk Register at Appendix 2.
- 7.2. 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.

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

8. The Counter Fraud Plan

			Anti-Fraud Bribery and Corruption Theme Coverage						
Audit Project	Audit Scope	Value Added	Govern	Acknowledge	Prevent	Detect	Pursue	Protect	Quarter
Schools Anti-Fraud Bribery and Corruption Framework	This piece of work will see the updating of the Schools Anti-Fraud and Corruption Framework which is due for review	Up to date and robust governance policies will assist in the management of fraud risks	✓						Q1
Members and Officers Declarations of Interest (This audit is currently in progress)	This audit is looking at the arrangements in place for the submission and monitoring of declarations of interest and the arrangements in place to manage conflicts of interest that are being identified. Levels of compliance with the processes are also being audited.	This audit aims to add value by ensuring that key governance policies are being complied with and can be relied up to help manage the risk of fraud and corruption.	✓						Q1
Declarations of Gifts and Hospitality (and legacies)	This audit is looking at the arrangements in place for the submission and monitoring of declarations of gifts, hospitality and legacies and the arrangements in place to manage any potential conflicts of interest that could arise from them. Please note that it is not possible to monitor levels of compliance with the process except through whistleblowing reports and investigations as there are no other ways to identify any declarations that are missing	This audit aims to add value by ensuring that key governance policies are being complied with and can be relied up to help manage the risk of fraud and corruption.	✓						Q2

			Anti-Fraud Bribery and Corruption Theme Coverage						
Audit Project	Audit Scope	Value Added	Govern	Acknowledge	Prevent	Detect	Pursue	Protect	Quarter
Counter Fraud Arrangements - Direct Payments and Personal Budgets	This audit aims to review the processes in place to award and monitor Direct Payments and Personal Budgets as used by individuals to pay for their social care requirements. This review will specifically look at the arrangements to identify and report fraud, suspected fraud and misuse of these payments as few reports of any fraudulent activity are received from these payments which are nationally recognised as a problem area.	This review aims to add value by making sure that there are robust counter fraud and fraud reporting arrangements in place over these payments and that action is being taken where possible against anyone misusing the schemes.							Q2
National Fraud Initiative - Business Rates Grants	No new business rates grants as a result of COVID are now expected with the final Omicron Grant closing at the end of March 2022. Whilst there are no new grants now expected, post payment fraud checking is yet to take place on the Omicron Grants and results of the previous grant payments made up to the 31 st of December are still awaited from the NFI (this data was submitted at the end of February 2022). This piece of work will examine any identified potential frauds, will report them and will initiate recovery where possible.	National Fraud Initiative work adds value by identifying frauds and quantifying their costs.				✓			Q1 to Q2

			Anti-Fraud Bribery and Corruption Theme Coverage						
Audit Project	Audit Scope	Value Added	Govern	Acknowledge	Prevent	Detect	Pursue	Protect	Quarter
National Fraud Initiative – 2022/23 Cycle (including Cost of Living Grants)	<p>As well as the above Business Rates Grants activity, further themes are identified within this year's NFI activity. Council Tax and Elections data is being matched in line with the advertised NFI coverage cycles, but it is also possible that this year will see the submission and review of data matches in respect of Social Care and Residential Care Payments. These matches were due to be undertaken in 2021/22 but were postponed due to the fact that social care and residential care information was reclassified under data protection as medical information. This prevented data matching whilst legal issues were addressed. When resolved, these matches are likely to be undertaken.</p> <p>In addition, the Government has announced a £150 Cost of Living Grant to be paid via a Council Tax Rebate from April 2022. It is likely that payments will need both pre and post payment NFI checks. Time has also been reserved for this in this year's plan.</p>	National Fraud Initiative work adds value by identifying frauds and quantifying their costs				✓			Q2 to Q4
Continual Analytics - Procurement Fraud	The Council uses specialist software to prevent and detect fraud and error in respect of creditor payments. This piece of work will look at the risk output of this software in order to detect and investigate fraud and error	This piece of work adds value by ensuring that valuable fraud insights are used to detect and analyse fraud trends on procurement frauds (one of the hardest fraud types to detect).				✓			Q1 to Q4

			Anti-Fraud Bribery and Corruption Theme Coverage						
Audit Project	Audit Scope	Value Added	Govern	Acknowledge	Prevent	Detect	Pursue	Protect	Quarter
Continual Analytics - Billing for Discretionary Services	Data matching is currently underway in this area having been started in the previous year. This piece of work looks at the continued provision of discretionary services where the service user is not paying their invoices.	This analytical work gives insights on departments continuing to give services to non-paying clients that could be as a result of poor business practices, fraud or error.			✓	✓			Q1
Data Matching - Council Tax to Tenancy Matching	This is a joint piece of work that will be undertaken with St Leger Homes and will match Council Tax information to tenancy Information. This piece of work has been successfully performed in the past and is a repeat of a previous joint exercise.	This piece of work adds value by identifying both Tenancy and Council Tax Frauds and discrepancies for investigation.				✓			Q2 to Q3
Continual Analytics - Teachers Pensions Data Matching	This piece of work continues previous data matching initiatives to identify potential frauds and failures to notify the Council of the death of anyone receiving a teacher's pension from Doncaster Council.	This piece of work is undertaken throughout the year and helps to prevent and detect fraud and error in this area so that payments to deceased individuals are stopped / suspended before serious overpayments arise.				✓			Q1 to Q4
Continual Analytics - Cash Monitoring	Whilst the collection of cash from the public remains significantly reduced for the Council, collection remains possible (with schools being the areas with the highest cash collection levels). This piece of work will see the re-development of cash monitoring arrangements so that cash collection trends are monitored to identify potential fraud and error.	This piece of work will add value by enabling the constant monitoring of cash collection trends to identify fraud and error.				✓			Q4

			Anti-Fraud Bribery and Corruption Theme Coverage						
Audit Project	Audit Scope	Value Added	Govern	Acknowledge	Prevent	Detect	Pursue	Protect	Quarter
Continual Analytics - Payroll to Creditor Matching	This is a data matching piece of work undertaken year on year matching 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.				✓			Q1 to Q4
Responsive Investigations	Time has been allowed within the Counter Fraud Plan for the investigation of fraud and suspected frauds as identified by whistleblowing, management concern or public tip off.	The investigation of suspected fraud and corruption cases is necessary in order to determine whether frauds have taken place and to identify any controls that need to be improved to prevent any future reoccurrence of issues. Where appropriate, frauds will be pursued in line with the Prosecutions Policy (part of the Anti-Fraud and Corruption Framework as agreed by the Audit Committee).					✓		Q1 to Q4
Police and Enforcement Liaison	This time has been set aside to deal with the Police and other bodies on frauds detected to ensure that enforcement and recovery action is taken as necessary.	This piece of work adds value by prosecuting perpetrators where possible. This also acts as a deterrent to future potential fraudsters.					✓		Q1 to Q4

			Anti-Fraud Bribery and Corruption Theme Coverage						
Audit Project	Audit Scope	Value Added	Govern	Acknowledge	Prevent	Detect	Pursue	Protect	Quarter
Fraud Awareness - Publicity and Campaigns	<p>Part of any successful counter fraud function is information sharing in order to help services and individuals (whether at work or in their private lives) to avoid fraud and scams. Information has been designed for inclusion on the Doncaster Council Website and for National Fraud Awareness Week.</p> <p>This provision of time will be used to complete this work and raise awareness of fraud, its warning signs and what to do about any fraud that is encountered.</p>	<p>This type of work adds value by increasing fraud resilience both internally and externally and helps the citizens of Doncaster to stay safe online and in their transactions.</p>						✓	Q1 and 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>Govern</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>Prevent / Detect</i>
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Continual Analytics - Payroll to Creditor Matching	Continual Analytics - Teachers Pensions Data Matching	Continual Analytics - Billing for Discretionary Services	Counter Fraud Arrangements - Direct Payments and Personal Budgets	COVID Business Rate Grant Post Payment NFI Matching	National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Continual Analytics – Procurement Fraud	Continual Analytics – Cash Trend Monitoring	Nursery Payment Provisions
Benefits Fraud	Housing Benefits		Department of Work and Pensions and HMRC – Real Time Matching Services.							✓			
Blue Badge Fraud	Parking Enforcement / Customer Services (for applications)									✓			
Bribery	Line management in all areas, but no one specific area is responsible for controlling this risk			✓									
COVID Business Grants Fraud	Business Rates								✓				
Cyber Fraud	ICT	ICT are currently working with 3 rd Parties on assessments of the Council's resilience and security and working through action plans to improve resilience.	External network security scans are undertaken by the Public Services Network and vulnerabilities identified for improvement	Work on this area is outsourced and has been covered in detailed audit needs assessments which have taken into account our many actions in this area including the creation of a Cyber Security Team with various security audits undertaken on a regular basis and annual monitoring by the Cabinet Office									
Direct Debit				No coverage against this specific risk. (There are no pieces of work that could assist with this risk)									

	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>Govern</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>Prevent / Detect</i>
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Continual Analytics - Payroll to Creditor Matching	Continual Analytics - Teachers Pensions Data Matching	Continual Analytics - Billing for Discretionary Services	Counter Fraud Arrangements - Direct Payments and Personal Budgets	COVID Business Rate Grant Post Payment NFI Matching	National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Continual Analytics – Procurement Fraud	Continual Analytics – Cash Trend Monitoring	Nursery Payment Provisions
Recall Fraud													
Educational Fraud	School Admissions / Early Years Teams												✓
Election Fraud	Elections Team		Electoral Commission	No internal coverage of this risk. Work in this area is left to the Electoral Commission									
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.		✓			✓					✓	

	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				Govern	Prevent	Prevent	Prevent	Prevent	Detect	Detect	Detect	Detect	Prevent / Detect
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Continual Analytics - Payroll to Creditor Matching	Continual Analytics - Teachers Pensions Data Matching	Continual Analytics - Billing for Discretionary Services	Counter Fraud Arrangements - Direct Payments and Personal Budgets	COVID Business Rate Grant Post Payment NFI Matching	National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Continual Analytics – Procurement Fraud	Continual Analytics – Cash Trend Monitoring	Nursery Payment Provisions
Grant Fraud (excluding business rates)	Various areas who administer grant payments		Coverage also provided where the claims / returns require audit verification.										✓
Housing Fraud	St Leger Homes / Housing Options / Right to Buy Team			✓						✓			
HR / Payroll Fraud	All areas	HR Shared Payroll exception report checking, but this would likely only identify error or large issues.		✓	✓	✓							
Impersonation Frauds	Facilities Management / All Areas			There is no coverage of this risk for this year. This risk affects members of the public.									
Insurance Fraud	Insurance Team		The Council's Insurers oversee and audit claims handling at the Council and undertakes inspections.	Work in this area is undertaken by the Council's insurer and the Insurance Team.									
Licensing Fraud	Licensing Team	Food Safety and Trading Standards		There is no coverage of this risk in this plan. Reliance is placed on the Licencing Committee and its appeals processes.									
Money Laundering	Finance / Right to Buy Team (St Leger Homes)	Advice is routinely provided by Internal Audit on suspected cases.		No specific review coverage, but advice is provided to the Right to Buy Team in real time as and when required.									

	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				Govern	Prevent	Prevent	Prevent	Prevent	Detect	Detect	Detect	Detect	Prevent / Detect
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Continual Analytics - Payroll to Creditor Matching	Continual Analytics - Teachers Pensions Data Matching	Continual Analytics - Billing for Discretionary Services	Counter Fraud Arrangements - Direct Payments and Personal Budgets	COVID Business Rate Grant Post Payment NFI Matching	National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Continual Analytics – Procurement Fraud	Continual Analytics – Cash Trend Monitoring	Nursery Payment Provisions
No recourse to Public Funds	St Leger Homes / Housing Options / Homeless Accommodation									✓			
Planning Fraud	Planning	Significant and controversial decisions are taken by the Planning Committee	Planning Appeals Processes.	There is no coverage of this risk in this plan. Reliance is placed on the Planning Committee and its appeals processes.									
Procurement Fraud	Procurement Team and all teams involved in commissioning or procurement			✓			✓				✓		
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 specific coverage in this year's plans. Reliance placed on Rotherham vetting of the application and interview documentations returned.									
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.						✓		Potential coverage this year – Social Care matching is current under review and was suspended from the 2021/22 NFI process as it			

	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				Govern	Prevent	Prevent	Prevent	Prevent	Detect	Detect	Detect	Detect	Prevent / Detect
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Continual Analytics - Payroll to Creditor Matching	Continual Analytics - Teachers Pensions Data Matching	Continual Analytics - Billing for Discretionary Services	Counter Fraud Arrangements - Direct Payments and Personal Budgets	COVID Business Rate Grant Post Payment NFI Matching	National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Continual Analytics – Procurement Fraud	Continual Analytics – Cash Trend Monitoring	Nursery Payment Provisions
										was re-classified as health care data under the law			
Stock Fraud / Theft	All areas holding stock		Limited scrutiny by the External Auditor over stock valuations at year end.	Ongoing Internal Audit support to the North Bridge Stores Transformation Project and a detailed audit review later in the 2022/23 year provide coverage in this area.									
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.		✓				✓	✓			

10. Appendix 1 - 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 current experience of fraud investigation. 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 general skills. Investigations into fraud allegations or money laundering allegations are dealt with by the trained and experienced individuals in order to ensure that the work is carried out competently and within the law (there are numerous laws under which investigations must operate and information must be obtained fairly and lawfully under the various legislation).</p> <p>The Head of Internal Audit is also CCIP qualified.</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 features annually in this Counter Fraud Plan that outlines the counter fraud work and specific counter fraud reviews that are planned over the coming financial year.</p>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
Is there a portfolio holder who has fraud within their remit?	A	There is no specific portfolio holder that has responsibility for fraud. Instead the Council discharges this responsibility through the Audit Committee, making the Audit Committee responsible for challenging counter fraud activity and holding the team accountable for the completion of work on the Counter Fraud Plan.	Whilst this is not strictly compliant, it is not proposed to change this situation.	
Is the Head of Internal Audit or Head of Counter Fraud assessing resources and capability?	A	Counter Fraud resources are assessed at audit planning stage. The level of counter fraud resources employed differs from council to council. Current resource levels, as given on the accompanying plan, represent 1.75 full time equivalent persons – this includes all proactive and reactive work and represents minimum coverage levels.		
Do they have sufficient internal unfettered access?	G	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. Investigative powers and memberships of investigative collaborative bodies such as the National Anti-Fraud Network, are also used to maximise the effectiveness of investigations.		
Do they produce a report on activity, success and future plans and are they measured on this?	G	The Counter Fraud Plan is produced annually in March each year for the coming financial year. It is reviewed and changed on a risk basis as and when required throughout the year but maintains the level of investment in time. This is needed to ensure that an adequate view of the fraud risks and a minimal level of fraud risk coverage is maintained. 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.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<p>Are members, audit committees and portfolio leads aware of counter fraud activity and is training available to them?</p>	G	<p>The Audit Committee is aware of its responsibilities in respect of counter fraud activity took place on the 5th of November, 2021. This will need to be repeated if the membership of the committee changes.</p> <p>General training for non-audit committee members is being relaunched but has been delayed due to the impact of business rates pre-covid checks required by the government. (There were requirements to undertake pre fraud checks using the National Fraud Initiative and to review any matches before payment). This will be released in April / May 2022. Anti-Money Laundering training has been refreshed and is being released at the time of writing this report.</p>		
<p>The Audit Committee should receive a report at least once a year on the counter fraud activity which includes proactive and reactive work.</p>	G	<p>This report (the Counter Fraud Activity Report containing the Counter Fraud Plan) details planned activity including plans to review key governance or other counter fraud items.</p> <p>All results are included in the Preventing and Detecting Fraud and Error Report which is produced in October each year to report actual activity and cases of fraud in the previous 12 months, including the results of proactive counter fraud activity during that same period.</p>		
<p>Is the fraud team independent of the process and does it produce reports to relevant committees that are scrutinised by members?</p>	G	<p>All counter fraud activity is undertaken by independent persons with no responsibility for the process and is reported as outlined in the above step.</p>		
<p>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.</p>	G	<p>This report and the associated risk register and assurance map discharge these responsibilities. The risk register produced here is a summary version that has been deemed fit for general release to the audit committee. A detailed register is available down to department level and is used for planning and monitoring purposes but is not deemed to be suitable for general release due to the fact that it could be used to defraud the council.</p>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
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 presented to Audit Committee for their annual approval and challenge.		
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.		
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.	G	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). These risk assessments accompany the Counter Fraud Plan, which itself forms the basis of audits and proactive investigative work.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<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>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>This document discharges this responsibility.</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>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>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<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 3 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>		
<p>Counter fraud staff are consulted to fraud proof new policies, strategies and initiatives across departments and this is reported to Audit Committee.</p>	G	<p>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.</p>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
Successful cases of proven fraud / corruption are routinely publicised to raise awareness.	G	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.		
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
<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	All of these items are in place and are regularly reviewed and subject to audit on a regular basis.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<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>		
<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>	G	<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.</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.</p> <p>An audit of both members and officers declarations process is underway at the time of writing this report.</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>		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
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	G	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.		
Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.	G	Whistleblowing and fraud are covered in tendering documents and contracts as appropriate.		
Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	A	See previous comments on the level of resources. Resources are available but represent minimum coverage.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
<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>	G	<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>Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.</p>	G	<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>	G	<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>		
<p>There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communications team.</p>	G	<p>See <i>Successful cases of proven fraud / corruption are routinely publicised to raise awareness.</i></p>		
<p>All allegations of fraud and corruption are risk assessed.</p>	G	<p>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.</p>		





FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
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, and 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.		
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.		





FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
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 6 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 but this plan is dependent on the availability of individuals within the team with the right computer and analytics skill sets.	Ensure sufficient resources with sufficient skills are allocated to the Counter Fraud Programme	Ongoing
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.		






FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
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	<p>There are 2 accredited investigators working on the Council Fraud Plan. A trained Data Analyst is available to assist with data analytics work but the data analytics and data matching skills are limited to just 2 members of the team (one being the Audit Manager). Ensuring the availability of skills like these is key to success of the counter fraud plan.</p> <p>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.</p>		
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.		
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.	G	Access to specialist services is available where the need arises. Resources would likely be externally sourced through contacts within the National Anti-Fraud Network.		
Weaknesses revealed by instances of prove fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	G	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.		






11. Appendix 2 – Fraud Risk Register





The direction of travel shown by the arrow shows whether the risk is expected to increase, decrease or stay the same over the coming year. It is not a comparison to its last position, it is a forward look not a backwards look at the risk history. All risk ratings are based on the assessment at the time it was undertaken (March 2022) and represent the risks assessed position according to the Risk Management Framework as agreed by the Council and the Audit Committee. Whilst risks may be increasing as indicated in the narrative, it does not necessarily mean that it has / will change risk rating (e.g. High, Medium low etc) as this is based on the wide criteria that is set in the Risk Management Framework.




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 and the value of the benefits in payment continue to fall. This however, still remains a real risk and real-time checking is used to detect and prevent fraudulent claims wherever possible. Please note that the responsibility for investigating Housing Benefits Fraud lies with the Department for Work and Pensions and not the Council.
Blue Badge Fraud	Medium 	Blue badge fraud decreased during the pandemic as significantly less people used the town centre and other controlled areas. Whilst town centre traffic is now increasing, parking in the town centre has fully recovered and remains lower than pre-pandemic levels which continues to suppress the likelihood of blue badge fraud being perpetrated. The impact financially of this risk remains low, but reputational impact and the emotive nature of this risk means that it remains a medium to low 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). Our main exposures for bribery risks are in the areas of property sales, developments, planning permissions and procurements, however, controls in these areas are in place to mitigate the risks as much as possible. Fraud training is available.
Cost of Living Grant	Medium 	<p>This will be a new one off grant type for 2022/23. The Government currently plans a £150 one off payment for each household in Council Tax bands A to D (to be paid by the Council using Council Tax information). This has been shown as a separate risk from other grants.</p> <p>Whilst payment amounts are small, there are 132,581 properties in Doncaster where there is a potential eligibility (data taken as at the 28th of November, 2021) leaving potentially £20m of expenditure exposed to potential fraud. The low value of the payment means it is less attractive for fraudsters but some fraud is still likely. As a result, this risk has been given a medium risk with exposure lasting until payments have been made and reconciled and post fraud checks undertaken on the results. It should be noted that whilst the cost of this grant is being covered by the Government, this is still a risk against the public purse.</p>

Fraud Risk	Current Risk and Direction of Travel	Explanations
COVID Business Grants	Medium 	<p>COVID Business rates grants during the pandemic phases have been provided to businesses in order to assist them to weather the financial impact of the pandemic. Now restrictions have lifted, free testing has ended and we enter (what is hoped to be) the recovery stage, additional COVID business grants are unlikely and additional pay-outs going forwards in this area are not expected.</p> <p>No new payments means that no new exposure to this particular risk type, however, it remains on this year's fraud risk register due to the fact that the last business grant (The Omicron Grant) closed in March 2022. All payments at the time of this assessment were completed, however, counter fraud data cross matching still needs to be completed and the results investigated. This may mean that additional cases of fraud in payments ALREADY made are uncovered in the coming months. This risk therefore, remains on the register until this review and investigation work is completed and all exposures known. We expect to be able to report on any further identified cases in the October Preventing and Detecting Fraud and Error Report.</p>
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 for 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. Whilst controls are in place and are constantly being developed and enhanced to combat this type of fraud, organisations are always playing catch-up to the fraudsters in this respect. Whilst the risk remains a medium risk for the Council, organisations continue to experience ever more attempts to breach their controls. For this reason, the direction of travel has been shows an upwards trend.</p>
Direct Debit Recall Fraud	Low 	<p>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 increases in this kind of fraud during the last 2 years, mainly fed by BREXIT and the out flux of foreign national workers from the UK. These workers that left the UK, often left behind bank accounts that had been used to make direct debit payments which fraudsters have set about exploiting. Incidents here at Doncaster however, remain very low with minimal claims being made under the Direct Debit Guarantee Scheme.</p>
Education Fraud	Low 	<p>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. 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.</p>

Fraud Risk	Current Risk and Direction of Travel	Explanations
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 	Financial 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, although other establishments like the museum are again exposed to this risk now that they have reopened after the pandemic.
Grant Fraud (excluding business rates)	Low 	The Council administers many grants, some temporary as a result of Covid, and others more business as usual. Temporary grants in respect of COVID to individuals such as isolation payments etc have come to an end and are no longer considered a risk which is reflected in the downward risk trend for this risk type. Most of the remaining long term grants we administer are low value, although some grants have higher reputational impact than others. Most remaining grants fall into the low risk category. (Please note that COVID Business Grants and the new energy crisis / cost of living grant are included as separate categories).
Housing Fraud	Medium High 	Housing fraud includes tenancy selling and subletting and Right to Buy fraud. Tenancy fraud, especially subletting, are rare in Doncaster, however, with differences in private and public sector rents increasing, this risk is also increasing. Right to Buy fraud however is the main driver for this risk group. A 10% increase in average housing prices (as per the Land Registry) coupled with generous Right to Buy discounts means social housing property purchases are ever more enticing. The current cost of living squeezes however, are expected to have a breaking effect on the property market. Right to Buy sales fell during 2020/2021 by around 35% due to the pandemic, but are now expected to increase to at least pre-pandemic levels this year. Whilst there are a lot of unknowns in judging this risk, this risk level is believed to be currently increasing.

Fraud Risk	Current Risk and Direction of Travel	Explanations
HR and Payroll Fraud	Medium 	<p>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.</p> <p>Risks in terms of time frauds and pay frauds (such as false overtime claims or misuse of company time) remain higher than pre-pandemic levels due to the continued significant amounts of remote working. There has been a fall in reported instances of this type of fraud, but this is highly unlikely to be representative of what is actually happening and is clearly caused by the lack of visibility of staff and reliance solely on performance monitoring.</p> <p>Expenses fraud risks have significantly decreased with substantially less claims for mileage and expenses as a direct consequence of the Covid-19 pandemic, however this risk is likely to increase during the year as individuals return to office working. It is not expected to return to pre-pandemic levels due to the continued sizable work from home presence.</p>
Impersonation Frauds	Low 	<p>Impersonation frauds, in terms of this risk assessment, are where Council ID or purports claim 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 low having been re rated from the previous year. This risk is static with care being taken over the recovery of IDs and the use of uniforms.</p>
Insurance Fraud	Medium 	<p>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.</p>
Licensing Fraud	Medium 	<p>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.</p>
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 pandemic. As a result, we are showing an upwards trend in this risk as Right to Buy sales increase.</p>

Fraud Risk	Current Risk and Direction of Travel	Explanations
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 any form of legitimate funds with which to pay.</p> <p>These frauds are currently, at the time of this report, judged as stable.</p>
Planning Fraud	Low 	<p>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.</p> <p>Planning decisions are subject to scrutiny and challenge by independent committees 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. In the previous year, this risk was judged to be 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 saw increases in the amount of fraudulent attempts in this respect, especially in terms of schools.</p> <p>For this year’s assessment, we judge this risk as stable. We continue to see the heightened level of attempts against the public sector.</p>
Recruitment Fraud	Low 	<p>Recruitment fraud is essentially where prospective employees lie about qualifications, experience, 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>

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

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Doncaster Council

Internal Audit Plan 2022/23

To the Chair and Members of the AUDIT COMMITTEE

INTERNAL AUDIT PLAN 2022/23

EXECUTIVE SUMMARY

1. This report presents the Annual Internal Audit Plan for 2022/23 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 for 2022/23 is 8.80 FTEs. The Head of Internal Audit will be maintaining his assessment of 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.
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 a continued demand in dealing with the implications of the Covid-19 pandemic and other factors. We will maintain our well established practice of ensuring the plan remains 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 now being presented in a different way consistent with last year. 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 again for this year. This is due the many millions of pounds of central government Covid grant monies and support made available to the Council in the previous two years. Some of these grants require certification from the Head of Internal Audit to the relevant central government department as well as further detailed audit work over grants to businesses. This plan needs to be considered alongside the Counter Fraud Activity Report, which details proposed coverage of the 242 days in the summary below.

Breakdown of the Plan By Type of Work

	Days	Plan %		Days	Plan %
Assurance Work	653	50.0%	Assurance Work	778	58.3%
Consultancy Work	87	6.7%	Consultancy Work	72	5.4%
Responsive Work*	220	16.8%	Responsive Work*	201	15.0%
Followup Work	56	4.3%	Followup Work	43	3.2%
Fraud Plan	290	22.2%	Fraud Plan	242	18.1%
<i>Total</i>	1,306	100%	<i>Total</i>	1336	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 which includes investigation some of which will be fraud related.

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

Days	%	Directorate	Days	%
60	8.0%	Adults, Health and Wellbeing	98	11.5%
294	39.8%	Corporate Resources	262	30.8%
98	13.2%	Learning and Opportunities	94	11.0%
80	10.8%	Economy and Environment	112	13.2%
12	1.6%	Public Health	26	3.0%
196	26.6%	Council Wide	259	30.5%
740	100.0%	totals	741	100.0%

The plan reflects the “core” work that must be done which is primarily in Corporate Resources and Council Wide. We also have to deliver the responsive and fraud work leaving less time available for the other Directorates. Similar to the 2021/22 year, the amount of time planned for Adults, Health and Wellbeing, Learning and Opportunities and Economy and Environment work is lower than in years prior to the Covid-19 pandemic.

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. As stated last year, 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. Whilst it is hoped that these factors are a lower risk than last year, these and other factors will be under constant review and any concerns will be raised with management and reported accordingly to the Audit Committee. The implications for internal audit coverage regarding the transition by Doncaster Children’s Services Trust into Doncaster Council are only at the early stages of assessment and as such this plan makes no allowance for work that may need to be delivered in this area. Any changes

required to the plan will be reported to the Audit Committee in the usual manner through Internal Audit Progress Reports.

RECOMMENDATIONS

7. The Audit Committee is asked to
- support the principles and strategy underpinning the 2022/23 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 style="text-align: center;">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, 	<p style="text-align: center;">None</p>

Outcomes	Implications
affordable home <ul style="list-style-type: none"> • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling; <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
Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents; <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	None
Connected Council: <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	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 [Initials: SRF Date:08.04.22]

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 [Initials: SJT Date:13.04.22]

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 [Initials: SH Date:08.04.22]

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

TECHNOLOGY IMPLICATIONS [Initials: NS Date:06.04.22]

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 22/23 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 [Initials: RS Date: 06.04.22]

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 [Initials: PRJ Date: 25.03.22]

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.

BACKGROUND PAPERS

22. 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 2022/23

1. PURPOSE

- 1.1 This document provides details of the Internal Audit annual plan for 2022/23 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 will continue to be reviewed in full and on an ongoing basis as and when it is appropriate to do throughout the 2022/23. 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.
- 1.6 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 Officer (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 resulted in the audit plan being presented in a different way consistent with last year. 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 again for this year. This is due the many millions of pounds of central government Covid grant monies and support made available to the Council in the previous two years. Some of these grants require certification from the Head of Internal Audit to the relevant central government department as well as further detailed audit work over grants to

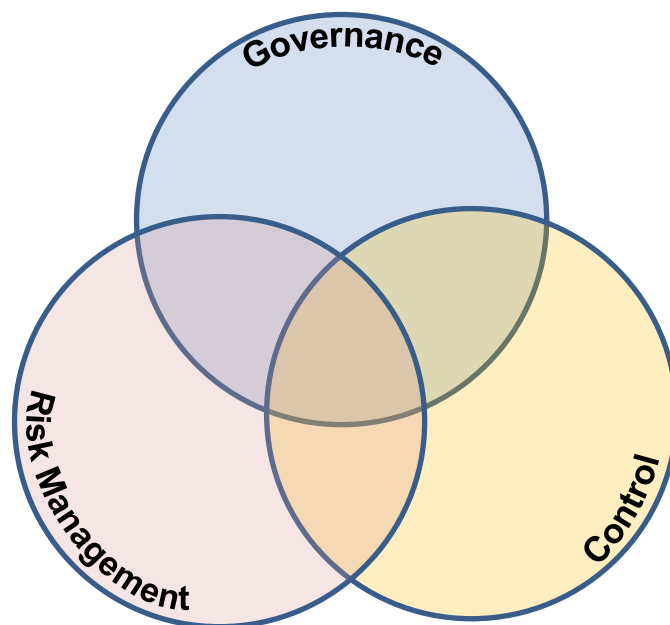
businesses.. This plan need to be considered alongside the accompanying report for the Counter Fraud plan.

- 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 2022. 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;

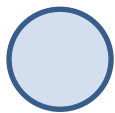
- Service plans and their associated risks;
- Corporate projects and known / planned technological changes;
- Information assets and business systems within service areas (or their absence);
- Data protection risks
- Legislative changes (where appropriate) and national initiatives such as the NFI;
- 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 increased slightly from 8.41 FTEs in 2021/22 to 8.80 FTEs in 2022/23. The Head of Internal Audit will be maintaining his assessment of 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.

5.2 Our resource calculations are broken down as follows:

	2020/21	2021/22	2022/23
Gross Days	2242	2203	2291
Less: Annual and statutory leave	364	414	403
Special leave (Including maternity))	139	29	21
Unpaid leave	12	6	6
Election leave	0	7	7
Available days:	1727	1757	1854
6. Less: Sickness	64	68	66
Service development and improvement	48	73	90
Professional training and CPD	79	68	69
Management and supervision	163	215	277
Administration and support	21	17	16
Planned Days	1352	1306	1336

*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:

2021/22 Audit Plan

2022/23 Audit Plan

Breakdown of the Plan By Type of Work

	Days	Plan %		Days	Plan %
Assurance Work	653	50.0%	Assurance Work	778	58.3%
Consultancy Work	87	6.7%	Consultancy Work	72	5.4%
Responsive Work*	220	16.8%	Responsive Work*	201	15.0%
Followup Work	56	4.3%	Followup Work	43	3.2%
Fraud Plan	290	22.2%	Fraud Plan	242	18.1%
<i>Total</i>	1306	100%	<i>Total</i>	1336	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 which includes investigations some of which will be fraud related.

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

Days	%	Directorate	Days	%
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60	8.0%	Adults, Health and Wellbeing	98	11.5%
294	39.8%	Corporate Resources	262	30.8%
98	13.2%	Learning and Opportunities	94	11.0%
80	10.8%	Economy and Environment	112	13.2%
12	1.6%	Public Health	26	3.0%
196	26.6%	Council Wide	259	30.5%
740	100.0%	totals	741	100.0%

The plan reflects the “core” work that must be done which is primarily in Corporate Resources and Council Wide. We also have to deliver the responsive and fraud work leaving less time available for the other Directorates. Similar to the 2021/22 year, the amount of time planned for Adults, Health and Wellbeing, Learning and Opportunities and Economy and Environment work is lower than in years prior to the Covid-19 pandemic.

7. FURTHER FACTORS IN PRODUCING THE PLAN

7.1 Key factors taken into consideration include:

- a. Ongoing work requiring completion from the work in 2021/22.
- 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 forty 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 continued heightened fraud risk.
- g. Development time for more efficient auditing in the future.
- h. An allowance for the time required to put in place effectively a major upgrade to the teams audit management software

- i. An Increased allowance (but less than the last two years) for some overheads due to virtual working levels being higher than pre-pandemic (e.g. team meetings and 121's).
 - j. A consequent reduction in service type reviews within directorates to help support the above work.
- 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 2022/23 set out at Appendix A.
- 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 B. 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. The division of time between
- 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. As stated last year, 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. Whilst it is hoped that these factors are a lower risk than last year, these and other factors will be under constant review and any concerns will be raised with management and reported accordingly to the Audit Committee.

7.7 The implications for internal audit coverage regarding the transition by Doncaster Children's Services Trust into Doncaster Council are only at the early stages of assessment and as such this plan makes no allowance for work that may need to be delivered in this area. Any changes required to the plan will be reported to the Audit Committee in the usual manner though Internal Audit Progress Reports.

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 carried out in 2022 reflect changes needed 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.
- 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.
- This assessment was completed in 2021 and concluded that Internal Audit met the highest standard of assessment "Generally Conformed" with the Audit Standards which is important assurance for Management and the Audit Committee.

Appendix A – The Annual Internal Audit Plan

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Assurance Work– 778 days – 58.3% of Planned Days							
	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 2021/22 audit plan	Y	Y	Y	Q1
Council Wide – 259 days – 30.5% of Total planned assurance and consultancy work							
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 and other Governance Support	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 and as reported on a regular basis through Quarterly Finance and Performance reporting and to the Audit Committee. Other governance support including Quarterly Finance and Performance reporting, support to the Governance Group and contributing to the Corporate Peer Review. 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 and the regular updates. Other governance support activities strengthen the Council's governance arrangements..	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	Y	Y	Y	Q1-4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
			any possible duplication of work.				
Council Wide	Troubled Families Grant	Audit of Doncaster and associated partners Troubled Families Grant Claim (12 claims). The review and certification of claims helps to ensure	Certification enables the Council to secure government grant funding and certification is required by the Ministry of Housing, Communities and Local Government.			Y	Q1 to 4
Council Wide	Troubled Families - Inspection / Audit	The Government's flagship Troubled Families Programme is subject to periodic external assessment / audit. This time will be used to contribute to that assessment and provide evidence of our ongoing audit process.	This project adds value by satisfying the Government's requirement to check our audit work on the Troubled Families Grant. Compliance with the grant regime is required in order to continue to receive funds from this programme.		Y	Y	Q4
Council Wide	Peer Review Arrangements (Review of Kirklees Arrangements)	This time has been put aside for the work involved for the review of the Kirklees audit function. This is part of the reciprocal arrangements with other South and West Yorkshire authorities and follows the review of Doncaster's arrangements in 2021/22. These reviews must be undertaken every 5 years in	This piece of work adds value by minimising costs that would be incurred if external assessors undertook this work. There are also learning opportunities through identifying better practices from other organisations	Y			Q3

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		line with the UK Public Sector Internal Audit Standards. (UKPSIAS)					
Council Wide	Covid Grants Risk Assessments and Assurance	<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	Y	Q1 to 2
Council Wide	Drainage Board Arrangements	<p>Providing general or specific support as required by the Council in supporting good governance arrangements at its Internal Drainage Boards.</p>	<p>This support adds value in improving governance arrangements at a local, regional and national level</p>	Y	Y	Y	Q1 to 4

Adults Health and Wellbeing – 98 days – 11.5% of total planned assurance and consultancy work

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Adults Health and Wellbeing	Adult Social Care Debt Management Arrangements	<p>This piece of work will involve ensuring that the controls in place to manage Adult Social Care debt are operating effectively and the outstanding debt is being recovered properly and in a timely manner. This piece of work will involve providing advice and support to the Adult Social Care debt monitoring group, that has been established for a few years to monitor outstanding debt to ensure effective recovery in a timely manner</p>	<p>The work will add value by ensuring that Adult Social Care debt is well managed and that, where possible, all monies are recovered.</p>			Y	Q1 to 4
Adults Health and Wellbeing	Safeguarding Adults Team	<p>This review will assess the implementation of the safeguarding review. This will involve a review of the processes and arrangements for adult safeguarding to ensure that arrangements are robust, appropriate and well managed</p>	<p>The review will aim to add value by providing assurance that the safeguarding review has been successfully implemented and that vulnerable adults throughout the process (concern to enquiry) are appropriately safeguarded and are in compliance with the requirements of the Care Act</p>	Y	Y	Y	Q2

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Adults Health and Wellbeing	Accessible Housing	This audit will involve reviewing the Accessible Housing Register process and its interface with St Leger Homes housing allocation process.	The piece of work aims to add value by ensuring that the most effective process is in place	Y	Y	Y	Q1
Adults Health and Wellbeing	Adult Social Care Fees and Charges - Charging Policy Implementation	This audit will involve reviewing the implementation of the charging policy. Areas to be selected on a risk basis	This audit will add value by providing assurance that the charging policy has been effectively implemented.			Y	Q4
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 intended by the practice framework and standards.	This review aims to add value by providing assurance that the Mosaic systems and processes are operating effectively in compliance with practice standards..		Y	Y	Q3 to 4
Corporate Resources – 262 days – 30.8% of total planned assurance and consultancy works							
Corporate Resources	Core Financial Processes - Housing Rents	This is the annual review of the risks and controls surrounding the collection of social housing rents as collected by St Leger Homes.	This audit adds value by ensuring that collection arrangements are robust and that rents are being properly managed by St Leger Homes.		Y	Y	Q3 to 4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Corporate Resources	Core Financial Processes - Housing Benefits	A High Level Audit Assessment of the handing of Housing Benefits will be undertaken in 2022/23 A Key Control review was completed on this system in 2021/22.	This review aims to add value by ensuring that housing benefits arrangements remain robust following the potential current changes. This audit is an annual audit due to the large volume and value of expenditure that goes through the system.			Y	Q2 to 3
Corporate Resources	Core Financial Processes - Council Tax	A full review of Council Tax billing and collection processes will be undertaken in 2022/23. A Key Control review was completed in 2021/22.	This review aims to add value by ensuring that Council Tax arrangements remain robust. This audit is an annual audit due to the large volume and value of income that goes through the system.			Y	Q2 to 3
Corporate Resources	Core Financial Processes - Business Rates	A key control review of Business rates will be undertaken in 2022/23. A Key Control review was carried out in 2021/22..	This audit aims to add value by ensuring that Business Rates arrangements remain robust. This audit is an annual audit required due to the large volume and value of expenditure that goes through the system.			Y	Q2 to 3

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Corporate Resources	Core Financial Processes - Accounts Payable and Procure to Pay	A Key Control review of the procure to pay processes will be undertaken in 2022/23.A full review was undertaken in 2021/22.	This review aims to add value by ensuring that the procure to pay process remains robust.			Y	Q3 to 4
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	Q1
Corporate Resources	Core Financial Processes - Accounts Receivable Analytics	. This is a continuation of the work that commenced in 2021/22 to move away from annual control and testing based audits in favour of continual system monitoring by using and analysing data. This audit is being undertaken as a pilot for this type of auditing	This audit aims to add value by providing assurance over a significant income stream that forms part of the annual financial accounts..			Y	Q1 to 2

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Corporate Resources	Core Financial Processes - General Financial Ledger	The annual audit review will be undertaken in 2022/23. A full review was completed in in 2021/22.	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	Q3
Corporate Resources	Core Financial Processes - Treasury Management	A key control review of the management of cash held in the bank and loans and investments will be undertaken in 2022/23. A full review was undertaken in 2021/22.	The review aims to add value by ensuring that Council's money is properly safeguarded and accounted for.			Y	Q3
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 2022/23 to ensure that the appropriate controls are in place. The same review was undertaken in 2021/22.	This audit aims to add value by ensuring that the financial system continues to operate in established limits. This audit is an annual audit due to its large volume and value of expenditure that goes through the system.			Y	Q4
Corporate Resources	Bus Service Operators Grant (June Claim)	Required grant sign off in order to progress the Bus Service Operators Grant (BSOG) claim. Review and	This work adds value by ensuring the grant monies			Y	Q1

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		sign off of this grant is required as part of the grant terms and conditions.	can be claimed from the Department of Transport.				
Corporate Resources	Bus Service Operators Grant (December Claim)	Required grant sign off in order to progress the Bus Service Operators Grant (BSOG) claim. Review and sign off of this grant is required as part of the grant terms and conditions.	This work adds value by ensuring the grant monies can be claimed from the Department of Transport.			Y	Q3
Corporate Resources	Homes and Communities Agency Grant (HCA)	Grant audit and certification of the Homes and Communities Agency grant received on a reciprocal basis with other authorities in the area.	This is a grant audit and is part of the grant terms and conditions. Without this review, grant monies are at risk of being reclaimed.			Y	Q2
Corporate Resources	Homelessness Reduction Grant	Grant certification of the Homelessness Reduction Grant as mandated by the government's grant conditions.	This piece of work adds value by ensuring that the grant monies can be claimed and spent for the benefit of the people of Doncaster..			Y	Q4
Corporate Resources	Levelling Up Fund Grant Sign Off	Certification of the grant as required by the memorandum of understanding. Certification by Internal	This is a grant audit and is part of the grant terms and conditions. Without this review, grant monies			Y	Q3 to 4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		Audit of the grant monies received and used is a requirement of the grant conditions.	are at risk of being reclaimed.				
Corporate Resources	Income Management	Contributing to the Income Management Project Group through attending meetings and reviewing documentation and project progress.	This aims to add value by ensuring that the Council maximises its income from all income sources though ensuring all income due is properly accounted for through sounds and timely reconciliation processes.		Y	Y	Q1 to 4
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
Corporate Resources	Local Financial Transaction Processing - Q1	Transactional work within user departments across the Council to ensure that financial transactions are robust, accurate and free from fraud and error. This audit aims to touch areas that are not subject to an audit review in the current year to give assurance over financial transaction processing as a whole. This maximises the value we add.	This work adds value by providing assurance that financial transactions in departments are robust and free from fraud and error.			Y	Q1 to 3

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Corporate Resources	External ICT Audits	Work on some ICT based risks is being provided by another Council with appropriate levels of expertise and experience on the basis of some risks identified from their external assessment. This time will be used to liaise with parties to undertake and report the required reviews and ensure that issues identified are added to our systems for monitoring and follow-up.	These reviews aim to add value by giving assurance over key central ICT governance risk that support the Council in all of its operations and processes..	Y	Y	Y	Q1 to 4
Corporate Resources	Education Absence - Fixed Penalty Notices	A review of the processes for collecting and administering school absence fines to ensure that monies are collected and are correctly accounted for.	This audit aims to add value by ensuring that financial processes are robust.	Y	Y	Y	Q2
Corporate Resources	iTrent - Time and Leave System	The audit will give assurance that there are appropriate controls and compliance within the new Time & Attendance	This review aims to add value by ensuring this corporate level system has adequate controls in this area.	Y		Y	Q3

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		part of the iTrent System..					
Corporate Resources	Time and Attendance Systems	This piece of work will give assurance that there are appropriate arrangements around the time and attendance recording systems within the organisation that are not using the iTrent system and that these are embedded by both employees and managers.	This audit aims to add value by ensuring that the systems and processes in place adequately controls the risks in this area.	Y		Y	Q4
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 will look at this system to ensure proper financial controls have been put in place to deal with the funerals, data recording and financial billing.	This review aims to add value by ensuring that financial systems that have been put in place are robust and free from material error or fraud.	Y	Y	Y	Q2
Economy and Environment – 112 days – 13.2% of total planned assurance and consultancy work							

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Economy and Environment	North Bridge Stores Audit	<p>A full review of the operation of the Stores function including a review of stock request, issue, recording, replenishing and system usage for costing and stock control purposes. This review will be carried out once all necessary work from the Stores Transformation Programme has been completed and will ensure that any recently implemented improvement actions are working effectively. This audit will also include a review of performance management activities in operation.</p>	<p>This review aims to add value by ensuring that arrangements for maintaining, issuing and valuing stores are robust, minimise the risk of fraud, and contribute to accurate financial accounts. It aims to ensure that an efficient and robust stock control system is in operation at North Bridge. An organised and efficient stock control function will support the efficient delivery of other inter dependent services such as Highways, Professional Buildings Maintenance and Street Scene.</p>			Y	Q2 to 3
Economy and Environment	Taxi Licensing Review	<p>Review of the processes and systems in place for the granting or refusal of licences in relation to Hackney Carriage and Private Hire Driver, Vehicles, and Operators of Private Hire Vehicles, ensuring that the Council fulfils its obligations in respect to passenger safeguarding whilst not unduly restricting local transport provision.</p>	<p>This review adds value through ensuring public safety is maintained and protecting the Councils reputation.</p>	Y	Y	Y	Q2

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
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 a previous 'Limited Assurance' audit opinion..	This review ensures that these key regulatory functions are operating in a well-managed way.	Y	Y	Y	Q4
Economy and Environment	Highways Maintenance Spending Review	. The maintenance of adopted highways, although attracting specific funding, is a significantly high spend area for the Council. This review will look at how highways maintenance is funded, the strategies and decisions for spend areas ie prioritisation of maintenance works, and how spend is monitored ensuring it is within specific grant conditions.	The review adds value by ensuring that finite resources are targeted to the most beneficial areas for the right works.		Y	Y	Q4
Economy and Environment	Street Lighting Costing / Billing Review	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 all income is received and costs are minimised.			Y	Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Economy and Environment	Climate Change: Governance Arrangements	This review will assess the councils approach to managing climate change risks..	This review adds value by helping to ensure that good governance arrangements are in operation, which are sufficiently robust enough to work towards achieving Doncaster's ambition of becoming carbon neutral by 2040.	Y			Q1 to 2
Economy and Environment	Gainshare	Confirmation that grant conditions have been complied with is required as part of the grant regime..	This work adds value by ensuring that grant monies can be claimed.			Y	Q4
Economy and Environment	Highways Grants	Confirmation that funding conditions have been complied with is required as part of the grant regime - Integrated Transport / Highway Maintenance and Pothole Fund	This work adds value by ensuring that grant monies can be claimed			Y	Q2
Economy and Environment	Local Area Delivery (LAD) Grant, Phase 2	Confirmation that grant conditions have been complied with, is required as part of the grant regime	This work adds value by ensuring that grant monies can be claimed.			Y	Q2 to 4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Economy and Environment	National Productivity Investment Fund (NPIF)	Confirmation that grant conditions have been complied with is required as part of the grant regime.	This work adds value by ensuring that grant monies can be claimed.			Y	Q2
Economy and Environment	Public Sector Decarbonisation Scheme	Confirmation that grant conditions have been complied with, is required as part of the grant regime.	This work adds value by ensuring that grant monies can be claimed			Y	Q4
Economy and Environment	Social Housing Decarbonisation Fund	Confirmation that grant conditions have been complied with, is required as part of the grant regime.	This work adds value by ensuring that grant monies can be claimed.			Y	Q4
Economy and Environment	North Bridge Stores Transformation Programme Support	This is the continuation of the support given to the full management review of stores that has been carried out internally within the Directorate during 2021/22, following a previous Limited Assurance Internal Audit Report and subsequent issues arising with the management of PPE stocks by Stores.	This piece of work provides independent support and challenge of that management review on a real time basis.	Y	Y	Y	Q1 to 2
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	Y			Q1

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		With a list of responsibilities including, but not limited to, investigating flood incidents. The Environment Agency remains responsible for managing the risk from the River Don. This work makes an assessment as to whether we are fulfilling all of our LLFA responsibilities.	hence mitigates any potential for reputational damage.				
Learning and Opportunities – 57 days – 6.8% of total planned assurance and consultancy work							
Learning and Opportunities – Children and Young People	Big Picture Learning - Grant Verification	This will assist with the verification of the outcome evidence validation process in order for funds to be released via claims submitted.	The review and verification of the claims helps to ensure that funds are only released as per contracted outcomes.			Y	Q1 to 4
Learning and Opportunities – Children and Young People	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	Y	Q1 to 4
Learning and Opportunities –	Schools Financial Value Standard - Self	This will involve undertaking an independent review of	This review will aim to add value by providing assurance that schools			Y	Q2

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Children and Young People	Assessment Frameworks	the School's SFVS returns to ensure they are adequately completed.	are complying with the SFVS requirements				
Schools – 36 days – 4.2% of total planned assurance and consultancy work							
Schools	School 1	This piece of work will involve undertaking an audit review at a school to ensure financial and governance controls and processes are working effectively.	This audit will add value by providing an independent assurance to the LA, Governing Body and Headteacher that financial and governance controls are operating effectively.			Y	Q1
Schools	School 2	This piece of work will involve undertaking an audit review at a school to ensure financial and governance controls and processes are working effectively.	This audit will add value by providing an independent assurance to the LA, Governing Body and Headteacher that financial and governance controls are operating effectively.			Y	Q4
Schools	School 3	This piece of work will involve undertaking an audit review at a school to ensure financial and governance controls and processes are working effectively.	This audit will add value by providing an independent assurance to the LA, Governing Body and Headteacher that financial and governance controls are operating effectively.			Y	Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Schools	School Audit Programme – Internal Development	Development time to revise the internal audit work programme for the improved effectiveness of school audits.	This piece of work will add value though ensuring our school audits direct work to areas of greatest benefit	Y		Y	Q1
Public Health	Support to Community of Practice Meetings	This piece of work will provide support and advice to the Community of Practice meetings	This work aims to add value by providing advice and support to the Community of Practice meetings whilst providing valuable insight into this area.	Y	Y	Y	Q1 to 4
Public Health	Public Health Governance Arrangements	This audit will involve reviewing Public Health's revised governance framework and arrangements in operation. This is to ensure that there is an effective governance framework established and embedded and that governance arrangements are robust, appropriate and well managed.	The review will aim to add value by providing assurance that Public Health's revised governance arrangements are robust and embedded.	Y			Q3 to 4
Public Health	Test and Trace Grant and Contain the Outbreak Funding - Grant Verification	Certification of the grant as required by the grant determination. Certification by Internal Audit of the grant monies received and used is a	This is a grant audit and is part of the grant terms and conditions. Without this review, grant monies are at risk of being reclaimed.			Y	Q1

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		requirement of the grant conditions					
Public Health	Better Mental Health - Grant Verification	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	This is a grant audit and is part of the grant terms and conditions. Without this review, grant monies are at risk of being reclaimed.			Y	Q1
Consultancy Work– 72 days – 5.4% of Planned Days							
Learning and Opportunities – Children and Young People	Special Educational Needs - Sufficiency	This piece of work will be undertaken on a consultancy basis initially, working with the relevant Head of Service to provide information, advice and support to the Sufficiency agenda for the Local Authority.	This consultancy piece of work will add value by providing an independent critical friend role with the Sufficiency work being undertaken by the Local Authority. The aim being to help ensure that the Local Authority has sufficient school places now and in the future.	Y	Y	Y	Q2 to 4
Learning and Opportunities –	SEN Improvement Journey	This consultancy piece of work will involving providing advice and	. This consultancy piece of work will add value by providing an independent	Y	Y	Y	Q1 to 4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
Children and Young People		support to the SEN Improvement Journey.	critical friend role with the SEN Improvement Journey.				
Learning and Opportunities – Children and Young People	School Improvement - Governance and Financial Management Awareness to School Stakeholders	This piece of work will involve working with Finance, School Governance and School Improvement to perform an assessment of the governance and financial information available to all school stakeholders (Headteachers, School Business Managers and Governors).	This audit will add value by ensuring that all school stakeholders have the relevant and up to date information available to them to help them make decisions and manage the financial and governance arrangements of the school effectively	Y		Y	Q3
Adults Health and Wellbeing	Practice Change Board - Governance Arrangements	This piece of work will be undertaken on a consultancy basis to assess the governance arrangements and structures of the practice change management programme to ensure they are robust to drive the required changes.	This consultancy piece of work will add value by ensuring that the practice change management governance arrangements are robust and effective.	Y	Y	Y	Q1
Adults Health and Wellbeing	Provider Portal	This review will assess the implementation of the Provider Portal. This will involve a review of the processes and payments to ensure arrangements are robust, appropriate	This work will add value by ensuring the provider portal delivers efficiencies in the payment of health care providers whilst making	Y	Y	Y	Q4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		and well managed and that providers are being paid correctly and on time.	payments correctly and on time.				
Adults Health and Wellbeing	Provider Portal	This work will be undertaken on a consultancy basis and will involve providing support and advice for Phase 2 of the provider portal .	This consultancy piece of work will add value by providing an independent critical friend role with Phase 2 of the provider portal implementation.	Y	Y	Y	Q2 to3
Follow Up Work – 43 days – 3.2% of Planned Days							
Council Wide	Follow Up of Outstanding 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	Y	Y	Q1 to 4
Responsive Work - 201 days– 15.0% of Planned Days							
Council Wide	Advice - Doncaster Council Including Schools	Certification of the grant as required by the memorandum of understanding. Certification by Internal Audit of the grant monies	Assists management to deliver better services adding value to the organisation	Y	Y	Y	Q1 to 4

Directorate	Audit Project	Audit Scope	Value Added	Governance	Risk Management	Control	Quarter
		received and used is a requirement of the grant conditions.					
Council Wide	Contingency - General	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	Q1 to 4

			Anti-Fraud Bribery and Corruption Theme Coverage						
Audit Project	Audit Scope	Value Added	Govern	Acknowled	Prevent	Detect	Pursue	Protect	Quarter
Members and Officers Declarations of Interest (This audit is currently in progress)	<p>This audit is looking at the arrangements in place for the submission and monitoring of declarations of interest and the arrangements in place to manage conflicts of interest that are being identified.</p> <p>Levels of compliance with the processes are also being audited.</p>	<p>This audit aims to add value by ensuring that key governance policies are being complied with and can be relied up to help manage the risk of fraud and corruption.</p>	✓						Q1
Declarations of Gifts and Hospitality (and legacies)	<p>This audit is looking at the arrangements in place for the submission and monitoring of declarations of gifts, hospitality and legacies and the arrangements in place to manage any potential conflicts of interest that could arise from them.</p>	<p>This audit aims to add value by ensuring that key governance policies are being complied with and can be relied up to help manage the risk of fraud and corruption.</p>	✓						Q2

Anti-Fraud Bribery and Corruption Theme Coverage

Audit Project	Audit Scope	Value Added	Govern	Acknowledged	Prevent	Detect	Pursue	Protect	Quarter
Counter Fraud Arrangements - Direct Payments and Personal Budgets	<p>This audit aims to review the processes in place to award and monitor Direct Payments and Personal Budgets as used by individuals to pay for their social care requirements. This review will specifically look at the arrangements to identify and report fraud, suspected fraud and misuse of these payments as few reports of any fraudulent activity are received from these payments which are nationally recognised as a problem area.</p>	<p>This review aims to add value by making sure that there are robust counter fraud and fraud reporting arrangements in place over these payments and that action is being taken where possible against anyone misusing the schemes.</p>							Q2
National Fraud Initiative - Business Rates Grants	<p>No new business rates grants as a result of COVID are now expected with the final Omicron Grant closing at the end of March 2022. Whilst there are no new grants now expected, post payment fraud checking is yet to take place on the Omicron Grants and results of the previous grant payments made up to the 31st of December are still awaited from the NFI (this data was submitted at the end of February 2022).</p> <p>This piece of work will examine any identified potential frauds, will report them and will initiate recovery where possible.</p>	<p>National Fraud Initiative work adds value by identifying frauds and quantifying their costs.</p>				✓			Q1 to Q2

Anti-Fraud Bribery and Corruption Theme Coverage

Audit Project	Audit Scope	Value Added	Govern	Acknowl	Prevent	Detect	Pursue	Protect	Quarter
National Fraud Initiative – 2022/23 Cycle (including Cost of Living Grants)	<p>As well as the above Business Rates Grants activity, further themes are identified within this year's NFI activity. Council Tax and Elections data is being matched in line with the advertised NFI coverage cycles, but it is also possible that this year will see the submission and review of data matches in respect of Social Care and Residential Care Payments. These matches were due to be undertaken in 2021/22 but were postponed due to the fact that social care and residential care information was reclassified under data protection as medical information. This prevented data matching whilst legal issues were addressed. When resolved, these matches are likely to be undertaken.</p> <p>In addition, the Government has announced a £150 Cost of Living Grant to be paid via a Council Tax Rebate from April 2022. It is likely that payments will need both pre and post payment NFI checks. Time has also been reserved for this in this year's plan.</p>	National Fraud Initiative work adds value by identifying frauds and quantifying their costs				✓			Q2 to Q4

Anti-Fraud Bribery and Corruption Theme Coverage

Audit Project	Audit Scope	Value Added	Govern	Acknowledged	Prevent	Detect	Pursue	Protect	Quarter
Continual Analytics - Procurement Fraud	The Council uses specialist software to prevent and detect fraud and error in respect of creditor payments. This piece of work will look at the risk output of this software in order to detect and investigate fraud and error	This piece of work adds value by ensuring that valuable fraud insights are used to detect and analyse fraud trends on procurement frauds (one of the hardest fraud types to detect).				✓			Q1 to Q4
Continual Analytics - Billing for Discretionary Services	Data matching is currently underway in this area having been started in the previous year. This piece of work looks at the continued provision of discretionary services where the service user is not paying their invoices.	This analytical work gives insights on departments continuing to give services to non-paying clients that could be as a result of poor business practices, fraud or error.			✓	✓			Q1
Data Matching - Council Tax to Tenancy Matching	This is a joint piece of work that will be undertaken with St Leger Homes and will match Council Tax information to tenancy information. This piece of work has been successfully performed in the past and is a repeat of a previous joint exercise.	This piece of work adds value by identifying both Tenancy and Council Tax Frauds and discrepancies for investigation.				✓			Q2 to Q3
Continual Analytics - Teachers Pensions Data Matching	This piece of work continues previous data matching initiatives to identify potential frauds and failures to notify the Council of the death of anyone receiving a teacher's pension from Doncaster Council.	This piece of work is undertaken throughout the year and helps to prevent and detect fraud and error in this area so that payments to deceased individuals are stopped / suspended before serious overpayments arise.				✓			Q1 to Q4

Anti-Fraud Bribery and Corruption Theme Coverage

Audit Project	Audit Scope	Value Added	Govern	Acknowl	Prevent	Detect	Pursue	Protect	Quarter
Continual Analytics - Cash Monitoring	<p>Whilst the collection of cash from the public remains significantly reduced for the Council, collection remains possible (with schools being the areas with the highest cash collection levels).</p> <p>This piece of work will see the re-development of cash monitoring arrangements so that cash collection trends are monitored to identify potential fraud and error,</p>	<p>This piece of work will add value by enabling the constant monitoring of cash collection trends to identify fraud and error.</p>				✓			Q4
Continual Analytics - Payroll to Creditor Matching	<p>This is a data matching piece of work undertaken year on year matching payroll and creditor information to detect fraud and manage conflicts of interest.</p>	<p>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.</p>				✓			Q1 to Q4

			Anti-Fraud Bribery and Corruption Theme Coverage						
Audit Project	Audit Scope	Value Added	Govern	Acknowled	Prevent	Detect	Pursue	Protect	Quarter
Responsive Investigations	Time has been allowed within the Counter Fraud Plan for the investigation of fraud and suspected frauds as identified by whistleblowing, management concern or public tip off.	The investigation of suspected fraud and corruption cases is necessary in order to determine whether frauds have taken place and to identify any controls that need to be improved to prevent any future reoccurrence of issues. Where appropriate, frauds will be pursued in line with the Prosecutions Policy (part of the Anti-Fraud and Corruption Framework as agreed by the Audit Committee).					✓		Q1 to Q4
Police and Enforcement Liaison	This time has been set aside to deal with the Police and other bodies on frauds detected to ensure that enforcement and recovery action is taken as necessary	This piece of work adds value by prosecuting perpetrators where possible. This also acts as a deterrent to future potential fraudsters.					✓		Q1 to Q4

			Anti-Fraud Bribery and Corruption Theme Coverage						
Audit Project	Audit Scope	Value Added	Govern	Acknowled	Prevent	Detect	Pursue	Protect	Quarter
Fraud Awareness - Publicity and Campaigns	<p>Part of any successful counter fraud function is information sharing in order to help services and individuals (whether at work or in their private lives) to avoid fraud and scams. Information has been designed for inclusion on the Doncaster Council Website and for National Fraud Awareness Week.</p> <p>This provision of time will be used to complete this work and raise awareness of fraud, its warning signs and what to do about any fraud that is encountered.</p>	<p>This type of work adds value by increasing fraud resilience both internally and externally and helps the citizens of Doncaster to stay safe online and in their transactions.</p>						✓	Q1 and Q3

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Doncaster Council

Report

Date: 28th April 2022

To the Chair and Members of the

AUDIT COMMITTEE

PROGRESS REPORT ON NORTH BRIDGE STORES TRANSFORMATION PROJECT

Relevant Cabinet Member(s)	Wards Affected	Key Decision
		No

EXECUTIVE SUMMARY

1. This report provides members a quarterly progress update on North Bridge Stores operational activities instigated following the Stores Management Review in response to the internal audit carried out in 2019 and their involvement in the Personal Protective Equipment (PPE) stocktaking in 2020.
2. This is the fourth update on the activities that have commenced. The original assessment of the Stores function has identified work that is required in many cross-functional operational links which lead into and work to compliment the Stores function and this work is currently in progress. The work undertaken is Director led and the successful delivery of the project has senior management support and commitment.

EXEMPT REPORT

3. There are no exemptions in this report.

RECOMMENDATIONS

4. Audit Committee are asked to note the updates to the report and support the outlined approach.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. An efficient and effective Stores function will allow the Council to be able to support services to the people of Doncaster through our customer facing stores function in a timely way and at the best quality and price.

Full adherence to audit standards will provide financial protection and a stable and accurate stock management process.

BACKGROUND

6. There has been historic and cultural non-compliance to agreed operating procedures for several years, despite previous internal audits and agreed management actions that have not either been implemented or maintained when put in place.

The general operating processes of the Stores changed in early 2020 due to the pandemic and focus was necessarily aligned to the processing of Personal Protective Equipment that was required across the Borough. As a result of this and also due to other mitigating factors (such as the floods) there has been impact upon the day to day processes.

The service offered by Stores was identified as falling short of the necessary standards. This shortfall encompasses operating processes, product/supplier pricing and management, stock control, stock management/storage and invoice processing.

The lack of thorough stock control and systems management is compounded by the suitability of the physical buildings used for Stores – many of which are in a poor state of repair and also the work streams currently been carried out by the Stores team – some of which do not fall within the scope of the operating procedures and is due, in part to historical decisions.

The Stores function, based at North Bridge is a long-established operation. In late 2017, a new ordering and stock control system was introduced which was not successfully embedded into the daily operating processes with current day to day custom and practice is not fully aligned to the requirements of the new system.

To address the issues identified by Internal Audit a Stores Management Review was proposed to ensure longer lasting/sustainable improvements for the Stores function moving forward. This management review was implemented in May 2021.

The review has identified the key issues that are driving the shortfalls and a plan is now executed to correct the issues and operate Stores by the correct operating processes by the end of December 2021, with a further review period to assess wider service area impacts to take place until the end of March 2022. The lessons learnt during the further review will be implemented during quarter two of 2022 (April-June). The review is also looking at the interactions of other service areas and processes that are involved with the entire Stores process, either as a customer or a stakeholder.

7. **PROCESS GOVERNANCE**

Given the previous history with lack of improvement a more focussed approach has been established to drive the delivery and provide assurance of the improvement project. Delivery of the North Bridge Stores review is overseen by a Transformation Board (as shown below) which monitors progress monthly against the activities identified from the Internal Audit review and subsequent Stakeholder Management monthly meetings. The Transformation Board is accountable to the Director of Economy & Environment for management reporting and service improvement and Audit Committee as part of the 2021/22 Audit Committee Work Programme.

Transformation Board meets monthly and representatives include:

- Assistant Director – Economy and Development
- Head of Service – Property
- Head of Service – Internal Audit
- Strategy and Performance Improvement Manager
- HR & OD Officer
- Other Heads of Service from SMM's by exception

Stakeholder Management meetings operate to both identify and address improvement activities, whether they fall within the Stores service or with the Stakeholder and to embed good practice and service improvement between the stakeholder and the Stores service.

The monthly Stakeholder Management meetings involve key stakeholders from:

- Procurement
- Transactional Processing
- Highways
- Metro Clean
- Professional Buildings Maintenance
- Street scene
- HR

In April 2022 the Stakeholder Management meetings will become once a quarter, whilst the monthly meetings will be held between Stores and key operational managers to assist greater understanding and improved efficiency.

8. **ACTIVITY**

Since May 2021 considerable activity has been carried out to look into the feedback given by the internal auditors.

The Stores Transformation Project has identified key stakeholders within all of the work areas that impact, support or use the Stores function so that these issues can be fully investigated to allow a comprehensive understanding of the reasons why and the actions required to fix on a permanent basis.

This work includes stakeholders from across many functions in the Council. Stakeholders for Stores are customers from within the service areas that purchase goods via Stores and also staff that work within the associated areas such as Procurement, Transactional Processing and Finance who will manage the supplier contracts and the prices charged by the external suppliers from whom Stores purchase the items on behalf of the Council.

The information gathered and feedback collated enabled the launch of an initial six-month plan which ran from July 2021 until December 2021 to bring operational concerns up to an acceptable standard.

Since the start of the year we have seen improvements in the overall operation of Stores and the on-going work will ensure that these improvements are embedded into the culture of the team. These improvements are reflected in the updates below.

There are many strands being worked on concurrently and these will pull together the overall success of the Stores operation and this is supported by a detailed project plan that includes tasks and responsibilities across all stakeholder groups.

The following key activities represent on-going work:

- Thorough clean, tidy and organisation of the physical Stores buildings to make best use of available space
- Labelling and identification of all stocks and locations
- Storage of all similar/related products in close proximity to ensure all stocks are available and are utilized
- Review of all supplier contracts and pricing/invoice agreements to ensure that we pay the agreed price and that invoice mis-matches are reduced to only the disputed lines and instances of supplier payments being delayed will be reduced
- Review of the product/supplier catalogue and products stocked to ensure all regular purchases are held within Stores to prevent teams purchasing directly themselves and paying a potentially higher price
- Review and agreement of operating procedures with training provided to bring all staff up to the required standards so that effective monitoring and management of the adherence to these procedures can be carried out
- Communication to the wider customer base to advise them on how the Stores function should and will operate - this will include emailing of processes and procedures being sent to all users to explain how the ordering process works
- Review of the processes used to manage non-stock items, including the implementation of a specific storage area and communication made to teams that purchase non-stock items to ensure the process is understood
- Two stocktakes annually (September and March) to be carried out with detailed investigation of all variances.
- Monitoring and follow-up activity for all issues that arise after the stocktakes to continue to develop and embed a culture of adherence.

9. **PROGRESS UPDATE (DECEMBER 2021 – MARCH 2022)**

Since the previous Audit Committee, and following on from improvements and actions completed in the period up to the Audit Committee reporting in October 2021 and January 2022, three key milestones were identified to be completed by the end of March 2022. These are:

Stores Stock Count (End of Financial Year)

A third full stock count has been completed (28th March 2022) and the results summary is attached. The stock take shows considerable improvement in stock variances and a significantly improved awareness of causes of issues being identified. This stock take reconciles with the end of year accounts and is the best overall result for several years.

Stores End of Financial Year Stock Take Summary by Department

STORES

Group	Description	Total Value (£)	Stocked Lines	(Negatives) (£)	(Negative) Lines	Average Negative Value/Item	Positives (£)	Positive Lines	Average Positive Value/Item	Negative %	Positive %	Variance Net (-£)	Variance Net (-£) %	Total Variance Lines	Group Variance Lines %
58	Metro Clean	60,941	76	5,525	75	73.33	1,235	79	2.59	5.8	2.0	2,290	-3.8	74	2.0
60	Clothing/PPE	1,058	05	584	00	1.68	18	1	3.16	3.9	1.7	66	-2.1	81	6.6
47	Bricks etc	720	9	266	9	6.63	69	0	6.90	13.0	8.9	97	-4.1	29	6.7
72	Chemicals	0,026	7	96		96.00	0	1	0.00	2.0	0.7	26	-1.3	2	8.6
49	Plumbing	6,851	75	35	20	6.75	8	5	5.60	0.8	0.2	07	-0.6	25	1
73	Small Hand Tools	6,425	8	16	2	8.00	7	1	7.00	2.1	0.7	9	-1.5	3	9
59	Fitters Materials	7,912	79	15	8	4.38	9	8	1.13	0.6	0.5	6	-0.1	16	7
61	Gas	324	3			5.50				2.2	0.0		-2.2	2	5.4
50	Tapes/Adhesives	85	5							0.0	0.0	0	0	0	
62	Timber	172	6							0.0	0.0	0	0	0	
68	Sharps Bins	215								0.0	0.0	0	0	0	
51	Ironmongery	5,984	67		3	0.33	3	1	5.00	0.0	0.1	0	0.0	4	0
53	Electrical	2,499	58	71	61	6.08	88	5	6.62	0.9	0.9	7	0.0	106	3.1
55	Kerbs	6,271	7	097			118			4.7	4.7	1	0.0	0	
56	Sealants/Adhesives	3,533	31	66		3.71	94		8.50	4.7	5.5	8	0.8	11	5.5
57	Tools	5,240	11	66	3	6.91	32	2	8.73	7.0	12.1	266	5.1	75	5.5
52	Cables	8,378	7	2		2.00	85		6.25	0.1	4.6	73	4.5	5	0.6
54	Street Lighting	63,296	44	5,956	1	83.62	6,830	9	59.47	0.9	1.0	74	0.1	40	6.4
	Totals (£)	57,930	297	6,913	293	7.72	4,596	80	8.21	1.8	1.5	317	-0.2	73	20.6

This stock take was the end of year count, which in March 2021 was not completed correctly and resulted in many of the issues we have faced on this review.

Stock Take Summary & Analysis:

- The total gross value of variances = **£14,596 (overs)** and **£16,913 (shorts)** = net balance **£2,317 (short)** compared to £27,810 (overs) and £8,982 (shorts) for the previous stock take in December 2021.
- As a % of overall stock held, the stocktake result is a loss of **0.2%** which is significantly reduced since the project commenced. The previous two stocktake results were **18.8% (October 2021)** and **4.15% (December 2021)**.
- There were no unexplained stock variances for any desirable items which have benefitted from increased security processes since October 2021.
- Stores have identified all items with a +/- variance to the system and these will be thoroughly investigated and understood.
- The top ten variance lines have been investigated and corrected prior to reporting to represent a more accurate posting of figures.

The overall stock take result represents a significant improvement of the trend of results and demonstrates the level of stock management now in place.

Due to the results shown in this major stock take, there will be two stock counts held per year. The second count of 2022 will be carried out at the end of the third quarter (September).

Perpetual Inventory Counts (Cyclical counting)

A full calendar of perpetual inventory counts commenced in January 2022 which means that 47 additional stock counts on rotated product groups will be carried out by the Stores team each year.

The schedule reflects the stock count variances and the worst category groups will receive more counts than nominal variance groups.

The results of all PI counts are retained for management and Internal Audit inspection and will further improve the on-going accuracy of the entire stock file.

Standard Operating Procedures

Full Standard Operating Procedures were issued when the current process was launched at the end of 2017, although these were not fully implemented by the operational team. As a consequence, many on-going custom and practices were outside of the SOP guidance. This was recognised in the 2021 report and prioritised for positive change.

Standard Operating Procedures were reviewed between October-December 2021 with key stakeholders, to ensure the most efficient practices could be implemented into the Stores function. Revised and approved SOP's were fully implemented into Stores at the end of January 2022.

On-going work plans for the second quarter of 2022 are being agreed and are to be implemented from late April to June 2022 to further improve processes that will support the Standard Operating Procedures. Staff will be monitored to ensure full compliance with the procedures at all times.

Operational admin trackers have been implemented to allow a thorough understanding and analysis of the workload at operational level, including analysis of the non-stock orders and purchase processes and the internal deliveries process currently operating. The results of this analysis will allow more efficient operations to be implemented in quarter 4 of this year. ^{Page 222}

Key Performance Indicators (KPI's)

Following the implementation of the Standard Operating Procedures a full suite of Key Performance Indicators (KPI's) have been developed and will be implemented in April 2022 in alignment with the original programme timetable, to provide both a baseline and a best practice operating standard for ongoing review and embedding as business as usual.

The suite of KPI's will be refined as required and reported monthly to management, Transformation Board and other stakeholders including the Audit Committee.

Stores Users Survey

A questionnaire was sent to key users of Stores to ascertain current opinion and user experience. The results of the survey have been built into the current priorities for improvement and include a re-launch of the process that means a Stores operative contacts the customer when the delivery arrives – the single most negative feedback received on the survey. The survey revealed that users have seen an improvement in the Stores operation, and all of the feedback will be reviewed ahead of a second survey which will be carried out at the end of June 2022.

Summary and Next steps:

At the date of reporting, activities planned for implementation by the end of the March 2022 have all progressed well and have been completed within the parameters agreed by the Stores Transformation Board.

Next steps in the third three-month (April-June) implementation period include:

- Embedding of Standard Operating Procedures
- Embedding and understanding of PI count schedule
- Analysis of current stocked lines vs actual need
- Updating of 'minimum stock levels' and 're-order' levels for stock
- Full review of entire Metro Clean stock holding
- Write-off of all redundant and obsolete stock
- Launch and embedding and reporting of Key Performance Indicators (KPIs)
- Embedding revised Stakeholder Management Meetings (operational managers) as a business as usual activity

Full recruitment for a permanent Stores Supervisor is proposed in the second quarter of 2022 to cement the improvements as part of business as usual in the proper and efficient operation of the Stores function.

10. RISKS & ASSUMPTIONS

Risks associated with 'do nothing' or 'unsuccessful project' scenario:

Risk/issue	Outcome	Likelihood
Contracts with suppliers out of date	No agreements in place for stock Accounts could be placed 'on hold' and the supply chain could be compromised Reputation of the Council could be damaged	High
Pricing charged by suppliers is not checked	Council pays a higher price for stock than expected	High
Stocks held are not matched to customer needs	Stocks held become obsolete. Internal customers purchase stock from outside Stores	High
Physical storage areas not organised and clean	Stock is damaged, not counted, misplaced or stolen	Medium
Staff not fully trained on IT systems	Council does not benefit from processes and reporting functions that are available to make Stores more efficient	High
Operating Procedures not used	Impacts on all of the above and prevents accountability	High
Regular communications between Stores and internal customers	Lack of communications means that minor issues become significant problems	Medium

If the Stores function does not function effectively, residents of the borough would be impacted because many of our internal services (such as Highways, Streetscene, etc.) use materials purchased and supplied to them by Stores. If they are unable to obtain such material in a timely manner, then this will impact on the borough. This was highlighted during a previous Covid alert which resulted in Stores being closed for a day.

Failure to manage contractors and pricing of materials being bought into Stores will risk additional costs to the Council.

11. **LEGAL IMPLICATIONS**

There are no specific legal implications arising from this report. Legal advice can be provided in relation to any matters raised by the Committee.

[Officer Initials - SRF Date – 14.04.22]

12. **FINANCIAL IMPLICATIONS**

The financial implications of this report are not quantifiable, failure to implement the audit actions could result in:

- Customers being under/over charged resulting in fluctuations within the stores budget.
- Council not receiving the correct price/best value from suppliers.
- Stock being written off due to obsolescence or damage.
- Stock Control Account value being under/overstated.
- The service revenue position being adversely affected.

Regular stock takes will allow any significant variances to be identified, and allow timely action to be taken. The impact of future stock takes should continue to be reviewed to identify any impact on the service budget for 22/23.

The report also questions the suitability of the stores building and identifies the building is in need of repair. The nature, value and urgency of the works should be considered and if additional resources are required these should be requested through either the revenue or capital budget setting process. If there is an intention to undertake capital works the scheme should be outlined and included on the Council's pipeline of capital schemes for consideration.

[Officer Initials LS Date 20/04/21]

13. **HUMAN RESOURCES IMPLICATIONS**

There are no direct HR Implications in relation to this report, but continuation of consultation with HR via the board transformation meetings will still be required. If in future staff are affected or additional specialist resources are required, then further consultation will need to take place with HR.

[Officer Initials AA Date 20/04/2022]

14. **TECHNOLOGY IMPLICATIONS**

There are no specific technology implications in relation to this progress report

[Officer Initials - ET Date 15/04/22]

15. **HEALTH IMPLICATIONS**

The safe and effective operating of Stores is important to protecting the health and wellbeing of the workforce. The pandemic and the need for an effective process to manage Personal Protective Equipment (PPE) is a case in point. The activities identified in this report should improve the performance of the service area. Committee members will want to ensure that these activities do not widen or cause any inequalities.

[Officer Initials – RS Date 14/04/2022]

16. **EQUALITY IMPLICATIONS**

In line with the corporate approach for compliance against the Equality Act 2011 due regard must be shown across all activity within the Council. After considering the equality implication for the Stores Transformation Project none have been identified so a full due regard assessment was not required.

[Officer Initials - IK Date 12/04/22]

17. **CONSULTATION**

The project has consulted a broad group of stakeholders to ensure that feedback is as wide ranging as possible. The Board was implemented in May 2021 to oversee the decisions. The Board includes Assistant Director and Head of Service level individuals and this meets monthly. To support this, there are fortnightly or monthly stakeholder meetings that include representatives from Procurement, Transactional Processing, Finance and also key service areas including Streetscene, PBM, Highways and Metro Clean in addition to the Stores Supervisor.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

The following acronyms and abbreviations are used above:

- SMMM's – Stakeholder Management Meetings
- SOP – Standard operating procedures
- IT – Electronic support systems
- PPE – Personal protective equipment
- KPI's – Key Performance Indicators

REPORT AUTHOR & CONTRIBUTORS

Ian Kerr
Project Manager

 01302 737352  ian.kerr@doncaster.gov.uk

David Stimpson
Head of Service

 01302 737363  david.stimpson@doncaster.gov.uk

Auditor's Annual Report on Doncaster Metropolitan Borough Council

2020-21

13 April 2022



Contents



We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



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3. Opinion of the financial statements	5
4. Commentary on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources	6
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6. Governance	13
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Appendices

- A – The responsibilities of the Authority
- B – An explanatory note on recommendations
- C – Use of formal auditor's powers
- D – Unit Service Expenditure

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. 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.

1. Executive summary



Value for money arrangements and key recommendations

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The auditor is no longer required to give a binary qualified / unqualified VFM conclusion. Instead, auditors report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under specified criteria. As part of our work, we considered whether there were any risks of significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have not identified any significant weaknesses but have considered risks in respect of:

- Financial sustainability
- Governance
- Improving economy, efficiency and effectiveness.

Overall, we have not identified any significant weaknesses and related key recommendations, including the Authority's response to Covid-19. We have identified a small number of improvement recommendations to further enhance the Authority's arrangements, which management has accepted and will implement.

Criteria	Risk assessment	Conclusion
Financial sustainability	No risks of significant weaknesses identified	No significant weaknesses in arrangements identified. Two improvement recommendations made.
Governance	No risks of significant weaknesses identified	No significant weaknesses in arrangements identified. One improvement recommendation made.
Improving economy, efficiency and effectiveness	No risks of significant weaknesses identified	No significant weaknesses in arrangements identified. Two improvement recommendations made.



Financial sustainability

The Authority is operating in an increasingly uncertain financial environment. Doncaster Council, as with all local authorities, will need to continue to plan with little certainty over funding in the medium term.

Despite this uncertainty, and the challenges posed by Covid-19, the Authority has maintained a good financial position and delivered an outturn underspend of £6.0m for 2020-21. The Authority has put forward a series of proposals which forecast a balanced budget for the next three years. In addition, as at 31 March 2021, the Authority held healthy general fund revenue reserves of £131.5m and a further £65.8m of earmarked reserves.

Our work has not identified any significant weaknesses in arrangements to secure financial stability at the Authority. However, we have made two improvement recommendations.

Further details can be seen on pages 7-12 of this report.



Governance

Our work this year has focussed on developing a detailed understanding of the governance arrangements in place at the Authority.

Our work on both business as usual governance and adapted arrangements resulting from Covid-19 has not identified any significant weaknesses in relation to governance. However, we have made one improvement recommendation.

Further details can be seen on pages 13-16 of this report.



Improving economy, efficiency and effectiveness

The Authority has demonstrated a clear understanding of its role in securing economy, efficiency and effectiveness in its use of resources.

Our work has not identified any significant weaknesses in arrangements in relation to delivering economy efficiency and effectiveness. However, we have made two improvement recommendations.

Further details can be seen on pages 17-21 of this report.



Covid-19 arrangements

We did not identify any risks of significant weakness around the Authority's arrangements in responding to the Covid-19 pandemic.

Further detail can be found on pages 22-23.

2. Statutory and key recommendations



The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Authority. We have defined these recommendations as 'key recommendations'.

Our work has not identified any significant weaknesses in arrangements and therefore we have not made any key recommendations.

Appendix C outlines the use of auditor's statutory powers. These powers include the use of written recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Authority to discuss and respond publicly to the report.

Our work at the Authority has not identified any significant weaknesses in arrangements and therefore we have not made any statutory recommendations or had to discharge any other wider powers under the Local Audit and Accountability Act 2014, for the 2020-21 audit year.

The range of recommendations that external auditors can make is explained at Appendix B.



3. Opinion on the financial statements



Audit opinion on the financial statements

We issued an unqualified audit opinion on the financial statements on 9 December 2021.

Audit Findings (ISA260) Report (AFR)

More detailed findings can be found in our Audit Findings (ISA260) Report, which was published and reported to the Authority's Audit Committee on 26 November 2021. We concluded that the other information published with the financial statements, including the Narrative report and Annual Governance Statement, was consistent with our knowledge of the Authority and the financial statements we have audited.

Preparation of the accounts

The Authority provided the draft 2020-21 financial statements in line with the national deadline and provided a good set of working papers to support these. Officers were available throughout the audit process to answer questions and provide additional information. This allowed for a smooth and efficient audit process to take place during August to November, in line with the timetable we agreed with the finance team.

Issues arising from the accounts:

Our audit work did not identify any adjustments to the Authority's Comprehensive Income and Expenditure Statement or the Authority's level of useable reserves. However, we identified four

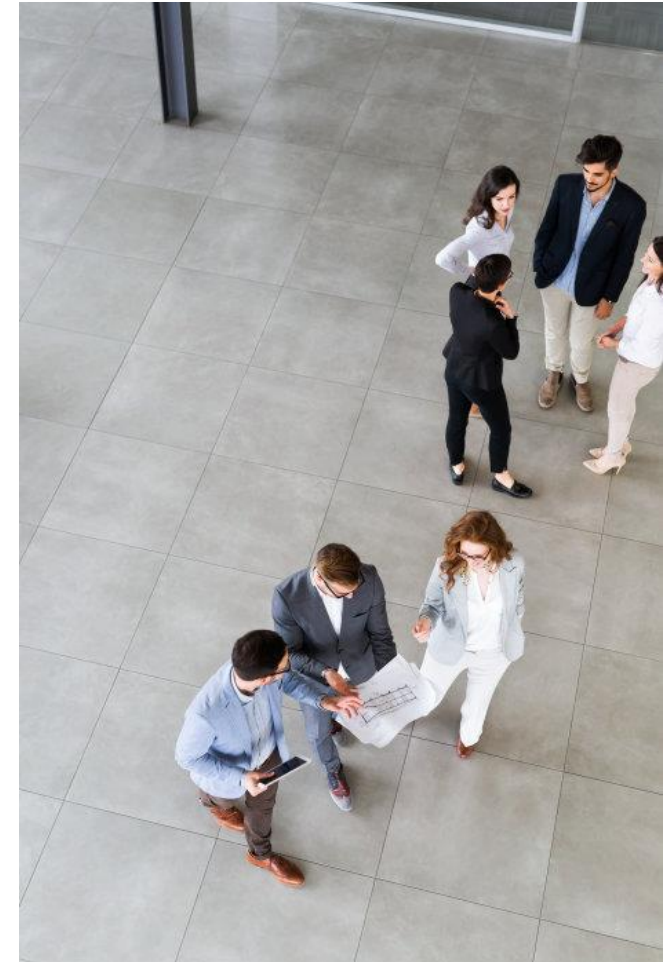
adjustments relating to Property, Plant and Equipment (PPE) and the Council's Net Pension Liability impacting on the Council's Balance Sheet:

1. the undervaluation of the Doncaster Dome, Cast Theatre and some Leisure Centres by £70.5m
2. the recently built Cinema was included in assets under construction but had been completed before the year end. The value of operational assets was understated by £3.29m
3. the Adwick Social Education Centre had been earmarked for demolition, but its valuation had not been adjusted to reflect this (£2.5m)
4. the Pensions valuation of level 3 Pooled Investment Vehicles (where market prices are not readily available) had been completed at December 2020 and its valuation extrapolated to the year end. The actual valuation at 31 March 2021 was £17.8m higher.

Management adjusted the financial statements for all of these areas. Our audit work also identified a small number of presentational and disclosure adjustments which management processed.

Grant Thornton provides an independent opinion ensuring the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation.



4. Commentary on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources

All Local Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Authority's responsibilities are set out at Appendix A.

Local Authorities report on their arrangements, and the effectiveness of these arrangements as part of their Annual Governance Statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Authority makes decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on each of these three areas, as well as the impact of Covid-19, is set out on pages 7 to 23.

5. Financial sustainability

Summary of the Authority's arrangements

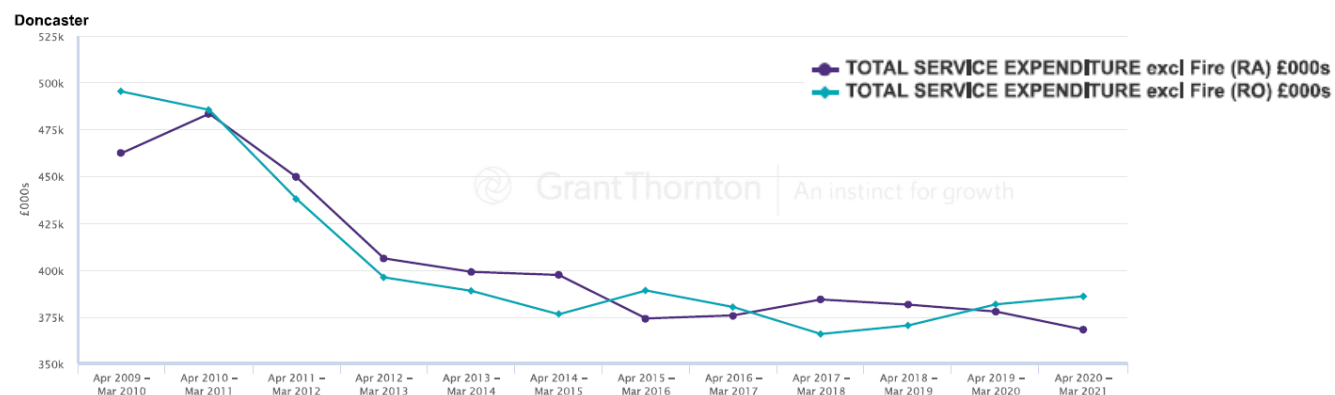
The Council has processes in place which detail the responsibilities of Authority members and senior management for planning and managing the Authority's finances. These are set out in the Authority's Constitution (Part 4 - Procedure Rules). We have not identified any evidence of the Authority not complying with these processes.

Financial performance is monitored and routinely reported on a quarterly basis to Cabinet through the Finance and Performance Improvement Reports with monthly management reporting also taking place through senior management team meetings within individual Council directorates.

The reports to Cabinet set out key financial information, such as actual and forecast outturn performance against budget. These reports are sent out in advance of meetings which enables sufficient time for members to consider the content, and formulate questions for discussion and scrutiny allowing appropriate challenge to take place. The chart below sets out the Council's budget against its actual service expenditure from 2009-10 to 2020-21 and illustrates the accuracy of budget setting. It also shows the reduction in overall Council spending.

Budget vs Actual Service Expenditure

Have budgets been accurate in recent years at the local authority?



Source: Revenue budget and outturn 2009-10 to 2020-21

The Council has in place a Medium Term Financial Strategy (MTFS) covering a three year period which it updates each year at budget setting time during March, and again during September each year, extending for a further year to ensure the MTFS remains current and includes all available information at that time. This process ensures the MTFS remains a live and up to date financial plan for the Council. The MTFS approved in March 2020 covering the period 2020-21 to 2022-23 put forward a series of proposals which forecast a balanced budget for the three years.

The Council has a strong reserves position with general fund revenue reserves of £131.5m and a further £65.8m of earmarked reserves at 31 March 2021 (excluding schools). This position is illustrated in the chart overleaf and compares Doncaster to other metropolitan authorities.

2020-21 revenue outturn

The Authority set a balanced budget for 2020-21 on 5 March 2021. The overall budget gap for the period of the MTFS, 2020-21 to 2022-23, was £17.7m, however, a surplus position was expected in 2020-21 of £1.2m, this was as a result of one-off additional Government funding for Social Care which was unexpected with a budget gap in 2021-22 of £11.8m and £7.1m in 2022-23.



We considered how the Authority:

- identifies all the significant financial pressures it is facing and builds these into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

Financial sustainability

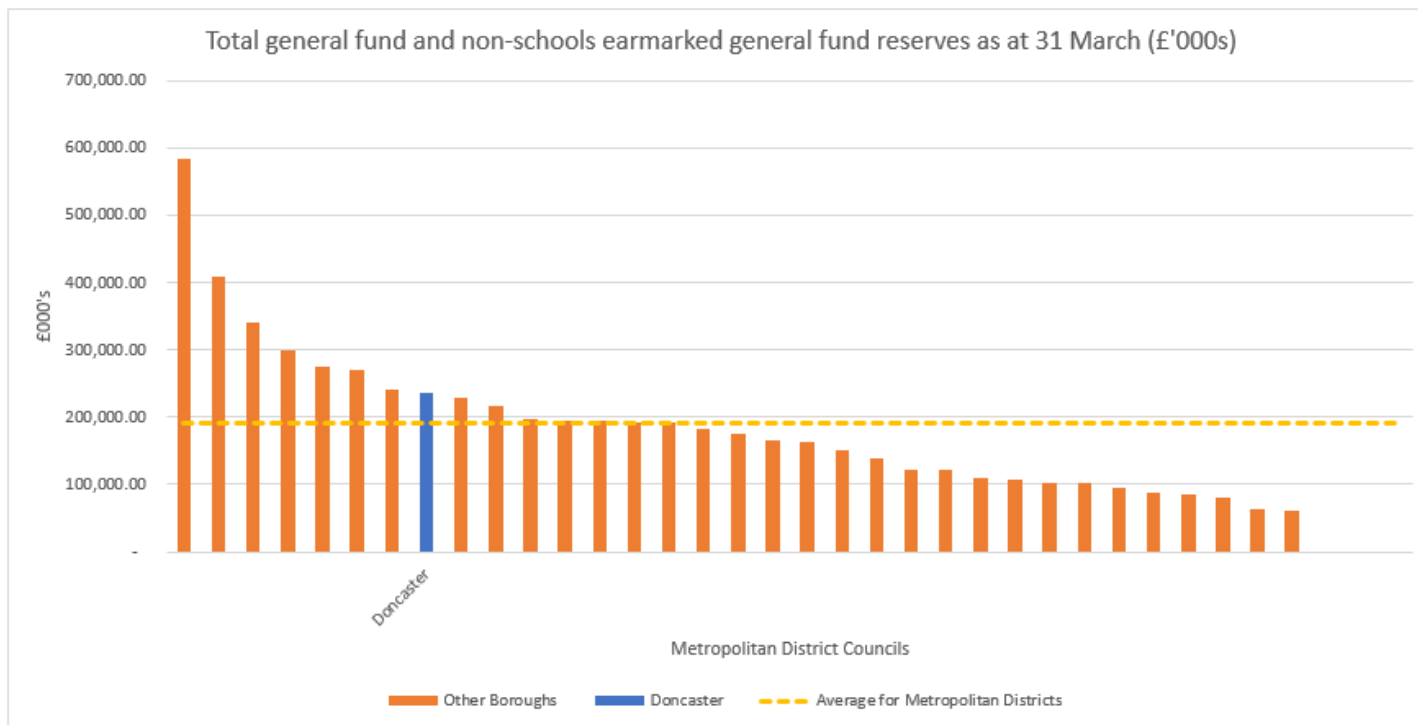
The Council's MTFS also sets out the savings to be delivered each year with £7.0m in 2020-21, £5.2m in 2021-22 and £3.8m in 2022-23, the shortfall of £1.7m is expected to be funded from reserves in 2022-23 if further savings are not identified before then. Given the unexpected additional funding in 2020-21, the Authority is in the unusual position of having savings of £7.0m in year and an underspend of £1.2m providing a cushion of £8.2m to carry forward into 2021-22.

The Authority delivered an outturn underspend of £6.0m in 2020-21, the improved outturn position was due mainly to the receipt of Covid-19 grants in excess of expectations, and budget holders minimising spend where possible including for example through vacancy management during the Covid-19 pandemic. For 2021-22, the Council has set a balanced budget with gross expenditure of £501.3m. Council Tax has increased by 2.9% (1.4% for Council Tax and a further 1.5% for Adult Social Care). To deliver this balanced budget, the Council needs to deliver savings of £10m during 2021-22.

The Authority has a clear understanding of its financial position and the financial gap it needs to address in the medium term.

The impact of Covid-19 has impacted on the Council's ability to generate planned savings as schemes have not all been able to be progressed, however, this has been mitigated by additional un-ringfenced funding provided by Government. The Authority received £31.7m in un-ringfenced funding from Government to assist in dealing with the costs associated with Covid-19, of this, £24.3m was applied during the year and the remaining balance carried forward into 2021-22.

The impact of Covid-19 meant that savings schemes planned could not all be fully delivered in 2020-21 due to the impact of Covid-19 and also with Council Officers concentrating efforts on the Covid-19 recovery. As a result, the 2020-21 Q4 Finance and Performance Improvement report noted that £3.7m of savings had been delivered but there was a shortfall of £5m in delivery. Given the Council delivered an underspend of £6.0m in 2020-21, the remainder of the savings not delivered have been moved into next year, 2021-22, when savings schemes planned are expected to be delivered, for example, the changes to social care fees have now been implemented in 2021-22 and there is confidence that the savings target will be delivered in full during the year.



Financial sustainability

The Council has established financial management arrangements in place and is aware of the services it provides, both statutory and discretionary. The Council has in the past tried to undertake costing exercises splitting services into statutory and discretionary elements but has not found this to be productive or useful. The Council recognises that statutory services have to be delivered and so discussions around savings on these services only relate to how efficiently they can be delivered whilst still meeting required standards.

Whilst the Council has a good track record of delivering a balanced budget and has a clear understanding of what are core statutory services, we consider the Authority should clearly identify statutory and discretionary spending in budgetary information which is provided to members and the public during the budget cycle. This would help members and residents to understand the difference between these types of spending and would help inform any spending decisions. We have raised an improvement recommendation in this regard.

Overall, the Council has a history of good financial management and there is no evidence of the unsustainable use of reserves to bridge the Council's funding gap. The Authority's response to the financial challenges posed by the Covid-19 Pandemic demonstrates good financial planning arrangements are in place to ensure the continuation of services.

2020-21 capital outturn

The Authority spent £68.3m on capital projects during 2020-21, this compares with £86.9m in 2019-20. The reduction in spending was principally due to the impact of Covid-19 delaying the progress of a number of capital schemes. The key capital schemes in 2020-21 were the new Danum Gallery, Library and Museum (DGLAM), adaptations for the disabled, creation of school places and school condition improvements.

The Council's capital budget report explains how the Council's budget support the transition to the well-being goals contained within the new Borough Strategy. The capital report also details the other strategies and plans influencing the budget including, for example, the Housing Strategy and the Environment and Sustainability Strategy.

The Authority has appropriate arrangements in place to monitor capital projects.

Medium term financial strategy

The Council's Medium Term Financial Strategy aligns expenditure to the Corporate Plan. The Council's Corporate Plan includes five priority themes:

- Doncaster Learning - Learning that prepares all young people and adults for a life that is fulfilling

- Doncaster Working - More people are able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future
- Doncaster Living - Doncaster's people live in a borough that is vibrant and full of opportunity, where people enjoy spending time
- Doncaster Caring - A borough that cares together for its most vulnerable residents
- Connected Council - A Connected Council, ready for the future.

For each theme, key objectives and priorities are set out that the Council aims to deliver.

The Authority applies several key assumptions in developing its Medium Term Financial Strategy and plans. These assumptions are subject to question and challenge by Cabinet and include:

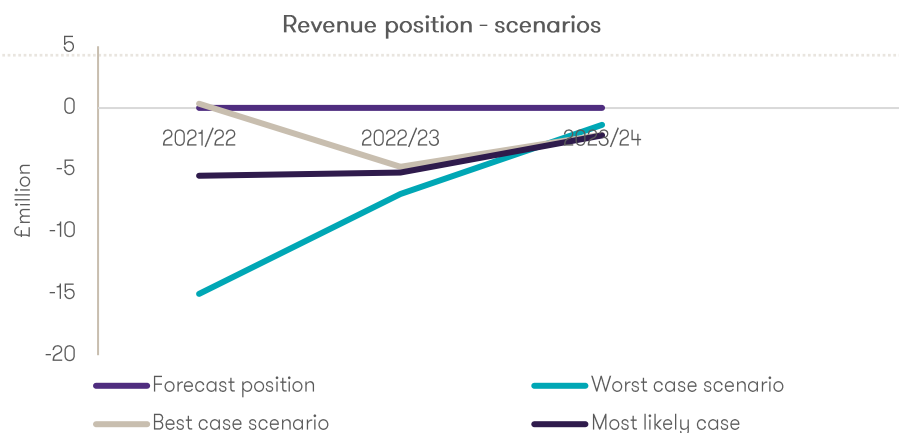
- a 1.99% Council Tax increase for each financial year
- for Adult Social Care, future costs, demand and income projections across the period of the MTFS
- a national pay award of 2.75% for 2021-22 and subsequent years, including increments being paid every other year
- for major contracts, many include inflationary increases each year, for example, the waste contract. These increases have been included within the MTFS
- an assumed collection rate for Council Tax in 2021-22 of 97%
- assumptions around the receipt of specific other grants over the period of the MTFS
- the impact of general service budget pressures. Service pressures were estimated at £8.074m for 2021-22.

The Authority updates its MTFS as part of the annual budget setting process during March each year, additionally, it is updated again during September to ensure all available information has been incorporated, and also extending the MTFS to the following year.

In preparing the MTFS, the Authority incorporates sensitivity analysis using best case, worst case and most likely case. This approach allows appropriate scenario modelling to take place with the Authority using the most likely projections in developing its budget. This approach also allows easy comparison of the possible range of likely outcomes which the Authority could face.

The graph overleaf shows for the period of the MTFS, 2021-22 to 2023-24, the current forecast position for each year after the delivery of savings and use of reserves. The best case, worst case and most likely case scenarios are also shown which include for example, changes to pay and expected Council Tax collection rates. The scenarios are shown before the use of any savings schemes or transfers from reserves.

Financial sustainability



Source: MTFS 2021-22-2023-24 – Forecast after savings schemes and use of reserves

The expected budget gap for 2021-22 included in the MTFS totals £15.2m, to reach a balanced year end position, the Authority plans to deliver savings of £10.0m and use £5.2m of the Covid-19 funds not utilised in 2020-21. The 2021-22 Quarter 1 Finance and Performance Improvement Report presented to members in September 2021, projects a balanced outturn position for 2021-22.

The MTFS shows further budget gaps of £1.5m for 2022-23 and £2.2m for 2023-24. The delivery of savings of £5.4m in 2022-23 and £0.9m in 2023-24, coupled with the use of the remaining Covid-19 funds not used to date will allow the Council to deliver a balanced budget position for 2022-23 and 2023-24. This is a good financial position for the Council given that the savings requirements, proportionately for a Council of its size, are lower than a number of other authorities.

Managing risks to financial resilience

The Authority's budget reports outline the key financial risks faced by the Council when setting the budget. All reports to Cabinet also include a risks section, which is used to highlight any specific risks for inclusion in the Council's financial plans. The Council routinely reviews its strategic risks on a quarterly basis which are reported to Cabinet in the Finance and Performance Improvement report.

Generally, we find the Authority to be financially well managed and there is a high level of understanding of its budgetary position, budgetary pressures and the savings required to be delivered each year. There is an established process by which the budget is reviewed regularly, and issues are reported in a timely manner to members.

Dedicated Schools Grant

In our 2020-21 Audit Findings Report, we noted that the Dedicated Schools Grant (DSG) deficit had increased by £3.8m during the year and at the year end totalled £9.1m. This increase was in common with a number of other authorities and whilst the Government introduced regulations from 2020-21 for a three year period which prevent the deficit being charged to the revenue account, the total amount of the deficit was approaching the Council's materiality of £11.5m.

As part of our VFM work, we have held further discussions with officers which indicate that there is a projected DSG deficit of £5.07m for 2021-22, increasing the total DSG deficit to over £14m by 31 March 2022. The Authority recognises the importance of managing this deficit and there is a significant amount of work being completed at both operational and strategic levels, including for example, operational funding requests are considered by the multi-agency Joint Resource Panel, which has a mandate to ensure all local options have been explored prior to any out of authority placements being agreed. Strategically, senior education leads in the Council liaise with schools around the devolution of elements of the DSG to ensure that locally there are the right services in place to support children, improving outcomes and reducing costs.

We understand the Council has drafted a DSG deficit plan to eliminate the DSG deficit within 5 years (by 31 March 2027). This includes savings from the future placement strategy and a new Special Educational Needs and Disability (SEND) strategy. To ensure the DSG deficit does not continue to increase year on year and the actions in implementing the DSG deficit plan result in the expected planned cost reductions and savings, there is a need for the Council to formally monitor progress on a regular basis. We have raised an improvement recommendation in this regard.

We will monitor the Council's progress as part of our 2021-22 planned programme of work.

Conclusion

Overall, we are satisfied the Authority has appropriate arrangements in place to ensure it manages risks to its financial sustainability. We have not identified any risks of serious weaknesses, however, we have made two improvement recommendations.

Improvement recommendation



Financial sustainability

Recommendation 1 The Authority should clearly identify statutory and discretionary spending in budgetary information which is provided to members and the public when setting the budget each year.

Why/impact Without this approach, members and residents may not fully understand any spending decisions made which impact on discretionary or statutory services during budget setting.

Auditor judgement Whilst the Council has a good track record of delivering a balanced budget and has a clear understanding of what are core statutory services, we consider the Authority should clearly identify statutory and discretionary spending in budgetary information which is provided to members and the public when setting the budget each year. This would help members and residents to understand the difference between these types of spending and would help inform any spending decisions.

Summary findings Existing budgetary arrangements do not formally identify statutory and discretionary spending during budget setting. The result is that members and the public may not fully understand why spending decisions have been made to either reduce or increase service provision and investment. The Council should formally provide this information as part of the budget setting cycle.

Further detail is provided on page 9.

Management comments The Council has previously undertaken a detailed assessment of statutory and non-statutory services, which identified challenges in categorising costs and that the cost and extent of provision for statutory services can vary. The Council approved a balanced budget in February 2022 for the next 3 years (22/23 to 24/25). However, in future years, if the Council is unable to balance the budget an assessment of the statutory and discretionary spending will be undertaken and published in the budget report.

The range of recommendations that external auditors can make is explained at Appendix B.



Improvement recommendation



Financial sustainability

Recommendation 2 The Council should routinely monitor the Dedicated Schools Grant (DSG) budget and implementation of the DSG deficit plan to ensure expected planned cost reductions and savings are delivered, and where slippage arises, remedial action is taken. Routine reporting should take place to members.

Why/impact The Dedicated Schools Grant deficit had increased by £3.8m during 2020-21 and totalled £9.1m at the year end. Discussions with officers indicate that there is a projected DSG deficit of £5.07m for 2021-22, increasing the total DSG deficit to over £14m by 31 March 2022. We understand the Council has drafted a DSG deficit plan to eliminate the DSG deficit within 5 years (by 31 March 2027). Without close monitoring, there remains a risk that planned cost reductions and savings may not be delivered, impacting on the Council's overall financial position.

Auditor judgement The DSG deficit is continuing to increase year on year, and whilst not material in 2020-21, will exceed expected materiality in 2021-22. There is a need for the Council to implement its DSG deficit plan and closely monitor progress in its implementation, without this there remains a risk that the deficit could continue to increase and adversely effect the Council's financial position once Government regulations allowing the deficit to be excluded from the Council's balances expires on 1 April 2023.

Summary findings The Authority's DSG deficit is expected to be over £14m by 31 March 2022. The Authority recognises the importance of managing this deficit and there is a significant amount of work being completed at both operational and strategic levels. We also understand the Council has drafted a DSG deficit plan to eliminate the deficit within 5 years (by 31 March 2027). To ensure the DSG deficit does not continue to increase year on year and the actions in implementing the DSG deficit plan result in the expected planned cost reductions and savings, there is a need for the Council to formally monitor progress on a regular basis.

Further detail is provided on page 10.

Management comments

The Council is committed to managing the cost pressures within the Dedicated Schools Grant (DSG), with a DSG deficit plan in place including specific actions identified. The actions will be tied into the improvement plan for Children's Services and include taking part in the DfE transformation programme 'Delivering Better Value in SEND programme'. The aim of the programme is to support the Council to improve the experience and outcomes for children and young people with SEND and secure the sustainability of local SEND services. The DSG budget and deficit plan is routinely monitored via the quarterly Finance & Performance Improvement report, reported to Cabinet and Overview & Scrutiny Management Committee (OSMC). The Council will enhance the current information provided by adding a table to show the projected deficit for each financial year.

The range of recommendations that external auditors can make is explained at Appendix B.



6. Governance



We considered how the Authority:

- monitors and assesses risk and 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 effectiveness processes and systems are in place to ensure budgetary control
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency
- monitors and ensures appropriate standards.

Leadership and committee effectiveness

Appropriate leadership is in place. The Council has in place an elected Mayor and Cabinet form of executive. The Mayor leads and oversees the Council's priorities, working with colleagues from across Team Doncaster (the Local Strategic Partnership) and councillors from across the borough. In addition, overview and scrutiny committee arrangements are in place which hold the Cabinet to account.

The work of the Council's committees is governed by the constitution. The constitution is regularly reviewed and updated and is available to all staff and members in addition to the public on the Council's website. The Audit Committee is the Committee which undertakes the role of Those Charged with Governance (TCWG) and demonstrates appropriate challenge of financial and non-financial information. The Committee contains an appropriate mix of elected members with financial and non-financial experience in addition to an independent member. We have observed and experienced the appropriate debate and challenge they provide at each Audit Committee meeting

Cabinet meetings are normally held fortnightly and the Council meets every two months with agendas and minutes published on the Council's website. Papers are provided in advance of meetings to allow decision makers the opportunity to read and reflect in advance. Every month, the Council publishes the Forward Plan which sets out details of all key decisions expected to be taken during the next four months by either the Cabinet, the Mayor, Deputy Mayor, Portfolio Holders or Officers and is updated and republished each month. This ensures members are aware in advance of the key decisions to be taken on a rolling basis and enables the Council's Overview and Scrutiny Committee to formulate their work plan.

Policies, procedures and controls

As a public organisation, the Council aims to maintain the highest standards of conduct and integrity. The Authority expects the highest standards of corporate behaviour and responsibility from all Authority members and all staff. The Authority has in place a wide range of policies and procedures designed to ensure compliance with legislative and regulatory standards, including for example codes of conduct for members and staff and HR policies and procedures.

The Authority has an established anti-fraud culture through its anti-fraud bribery and corruption framework, the counter fraud strategy and its whistleblowing policy. The Council also has in place clear codes of conduct for both members and officers along with registers for gifts and hospitality and a register of interests.

Monitoring and assessing risk

The Council has in place a risk management framework which includes a Risk Management Policy which sets out the Council's approach to embedding risk management arrangements within the Council. The Policy is supported by a Risk Management Process Guide and Tool Kit which provides a step by step guide to supporting effective risk management. The Council uses a 5x5 matrix (likelihood x impact) to identify and RAG rate its strategic risks.

All risks identified are recorded in risk registers which are contained within the Council's performance management system, 'Pentana'. All Strategic risks are reported to Cabinet on a quarterly basis as part of the Finance and Performance Improvement Report, this includes an update on each risk, how they have been profiled for the quarter, with any changes to the risk assessment being shown.

Governance

The Authority consider risks as part of their routine decision making role and the impact on corporate policies, including the annual budget setting process. The risk management approach is well understood across all levels of management at the Authority.

There is an appropriate internal audit function operating at the Authority and we have noted no issues with the standard of work being carried out by Internal Audit. Each year, Internal Audit agree an internal audit plan, the audit plan is agreed by the Chief Financial Officer and then presented to the Audit Committee for approval. Changes are made to the plan throughout the year to recognise any new risks that arise. Progress is reported on the internal audit plan on a regular basis to the Audit Committee. The Committee use the work and findings of internal audit to consider the operation of key controls during the year which is used to draft the annual governance statement.

The Internal Audit function operates to the United Kingdom Public Sector Internal Audit Standards (UKPSIAS) and is subject to external quality assessment every five years. Internal audit was recently re-assessed as meeting the necessary standards. Internal Audit also issue each year, an Annual Report of the Head of Internal Audit, which sets out the sufficiency of work done to be able to provide an annual opinion of the risk, governance and control arrangements in place at the Council. This report gave a positive opinion over these arrangements for 2020-21.

Budgetary Setting Process

The Authority has an established budget-setting process in place for agreeing its budget each year. The budget-setting process is thorough, with several stages. The budget is considered and approved by full Council in March. Routine monitoring of the budget takes place through the Finance and Performance Improvement Reports which are presented to Cabinet on a quarterly basis.

The budget and Medium Term Financial Strategy (MTFS) are considered and approved at the same time during March. The Council's MTFS is incorporated into the budget report and considers a three year time horizon. To ensure the MTFS remains up to date and includes all available information, it is updated during September each year and a further year added which forms the basis of budget setting and the MTFS for the following year.

Routine reporting including of longer-term projections and any risks to the medium term are incorporated into the quarterly Finance and Performance Improvement Reports considered by Cabinet.

The level of routine review by Cabinet together with the Authority's track record of delivering a balanced (or underspend) outturn position confirm the effectiveness of the budget setting and monitoring processes in place.

Budgetary control

All cost centres within the Council are linked to a budget holder and a finance officer to support each budget holder. Each cost centre has a risk assessment in place (low/medium/high) which determines the extent to which the finance officer is involved in reviewing projections and the support provided. High risk cost centres are reviewed monthly with greater interaction with budget holders than medium and low risk cost centres.

Budget holders access financial information using the Collaborative Planning (CP) module of the Council's resource planning system. The CP module is updated each month with actuals and revisions to budgets and is used to capture projections from budget holders. The focus of monitoring is always the projected outturn position, which is informed by the actual spend to date. Monthly reports are routinely considered by budget holders and taken to directors meetings. Quarterly reports are considered by directors and also reported to the Cabinet in the Finance and Performance Improvement Reports.

Processes are in place for in-year budget virement if required in accordance with the Council's Financial Procedure Rules. During 2020-21 due to the Covid-19 pandemic, various virements were approved by Cabinet. These changes along with the Covid-19 pressures were updated each quarter within the Finance and Performance Improvement Reports.

Monitoring and ensuring appropriate standards

The annual governance statement is compliant with the CIPFA code. The Authority has adopted the CIPFA/SOLACE framework Delivering Good Governance in Local Government. An appropriate level of care is taken to ensure the Authority's policies and procedures comply with all relevant codes and legislative frameworks.

Specialist Safeguarding Investigation

We noted in our 2020-21 Audit Findings Report the disclosure included by the Council in the Annual Governance Statement relating to the Specialist Safeguarding Investigation. This investigation remains on-going and we will consider any significant findings as part of our planned programme of work in 2021-22.

Governance

Ofsted Inspection

We delayed issuing this Auditor's Annual Report until the publication of the Ofsted inspection Report into Doncaster Council's Children's Services which was formally published on 8 April 2022. The Ofsted inspection reviewed three areas:

- The impact of leaders on social work practice with children and families
- The experiences and progress of children who need help and protection
- The experiences and progress of children in care and care leavers.

Apart from the first area reviewed (the impact of leaders on social work practice with children and families) which was rated 'Inadequate', Ofsted rated the other two areas as 'Requires improvement to be good'. Ofsted's overall judgement on the overall effectiveness of Doncaster Council's children's services was 'Requires improvement to be good'.

Doncaster Metropolitan Borough Council is accountable for the delivery of effective children's services which are provided by Doncaster Children's Service Trust through an arms length delivery model with the Council. The Council is currently formulating an action plan to address the issues identified by the Ofsted report and to improve the services provided by Doncaster Children's Services Trust. There is a need for this action plan to be formally reported to Ofsted and members, and monitored routinely by senior management with regular progress reports to Cabinet. We have raised an improvement recommendation in this regard.

We will monitor the Council's progress as part of our 2021-22 value for money audit programme.

Conclusion

Overall, we found no evidence of significant weaknesses in the Authority's arrangements for ensuring that it makes informed decisions and properly manages its risks.



Improvement recommendation



Governance

Recommendation 3 The Council should formulate an action plan to address the issues identified in the Ofsted inspection of the Council's Children's Services. The action plan should include clear target dates and be formally reported to Ofsted and members, and monitored routinely by senior management with regular progress reports presented to the Cabinet.

Why/impact The Ofsted inspection has identified a deterioration in the Council's Children's Services over a period of time and set out a range of issues which require improvement to be good. Without a clear action plan, close monitoring and routine reporting, there remains a risk that planned actions may not be delivered, impacting on the quality and adequacy of the services provided.

Auditor judgement Ofsted's overall judgement on the overall effectiveness of Doncaster Council's Children's Services was 'Requires improvement to be good'. Of the three areas reviewed, one area was rated 'Inadequate' with the other two areas rated as 'Requires improvement to be good'. There is a need for the Council to implement a clear action plan to address the issues identified in the Ofsted inspection. Without this there remains a risk that the quality and adequacy of Children's Services could deteriorate. Routine reporting to members will ensure progress is monitored and remedial action taken if required.

Summary findings The Ofsted inspection reviewed three areas, apart from the first area reviewed (the impact of leaders on social work practice with children and families) which was rated 'Inadequate', Ofsted rated the other two areas as 'Requires improvement to be good'. Ofsted's overall judgement on the overall effectiveness of Doncaster Council's Children's Services was 'Requires improvement to be good'.

The Council is currently formulating an action plan to address the issues identified by the Ofsted report and to improve the services provided within Doncaster Council's Children's Services. There is a need for this action plan to be formally reported to Ofsted and members and monitored routinely by senior management with regular progress reports presented to the Cabinet.

Further detail is provided on page 15.

Management comments

The Council and the Doncaster Children Services Trust (DCST) will prepare a post Ofsted improvement plan in response to the report. A decision to transfer services delivered by DCST back to the Council has been taken based on a view that this will improve leadership and management line of sight and drive improvement at pace. Formal governance will be established with oversight being provided by the Chief Executive and the Doncaster Children's Services Trust Chairman. This will be underpinned by 3 work streams to oversee the TUPE arrangements from DCST, the Children Care management system related improvement activities and Practice Improvement. The scope of work is currently being defined and resources mobilised to work at pace over the next 6 months. The Department of Education will be invited to attend the Practice Improvement board through the appointment of an improvement advisor to provide assurances to the Secretary of State. Cabinet and Children and Young People's Scrutiny Committee will play an active role in holding officers to account.

The range of recommendations that external auditors can make is explained at Appendix B.



7. Improving economy, efficiency and effectiveness



We considered how the Authority:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships, engages with stakeholders, monitors performance against expectations and ensures action is taken where necessary to improve
- ensures that it commissions or procures services in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits.

Performance review, monitoring and assessment

The Council has an established Performance Management Framework in place. Performance is reported through the quarterly Finance and Performance Improvement Report that is structured around the Council's Corporate Plan priorities and is presented to Cabinet.

The report content includes a range of key performance indicators which are included in the narrative showing both improvement in performance but also where improvement is needed and the actions being taken.

We consider there is scope to further develop the Council's performance reporting by including performance indicators in tabular form showing the complete set of the Council's key performance indicators by service area and their current period performance, comparison from the prior period, RAG rating movement and comparison with the Council's stated targets. Whilst this approach has been included to some extent for the Governance Indicators already included within the Appendix to the Finance and Performance Improvement Report, we consider this should be extended to all the Council's key performance indicators. We have raised an improvement recommendation in this regard.

Members play a regular role in performance management by reviewing the quarterly reports and providing challenge to officers. Cabinet portfolio holders also have regular meetings with Directors to review and consider performance.

The review and follow up of both internal and external audit recommendations is sound, with the Audit Committee reviewing progress and providing regular updates to the Cabinet on progress in implementing recommendations.

The Authority routinely undertakes a range of benchmarking exercises each year, for example a benchmarking review of building cleaning services was completed in 2019 reviewing costs and service levels, a review of children's social care was completed in 2019-20 and was updated as part of a benchmarking exercise in 2020-21 to consider performance and areas for further development and improvement.

Covid-19 has however impacted on the Council's ability to undertake routine benchmarking in 2020-21 to the same extent as in previous years as a result of staff being diverted to address the impact of the Covid-19 pandemic.



Improving economy, efficiency and effectiveness

As part of our audit work, we have benchmarked the Council's total net expenditure by service on a unit basis with all other metropolitan district councils. This analysis is provided below and shows that the Council has a very low total overall unit cost when compared to other metropolitan borough councils. However, there are four areas where unit costs are higher than other metropolitan authorities, children's social care,

cultural services, environmental and regulatory services and public health. We understand the higher costs in relation to children's social care relate to the Children's Services Trust where greater investment has been made to improve the quality of provision. Increased funding was also provided to the Council's Leisure Trust resulting from the impact of Covid-19 during the year. The other areas have expected higher costs principally due to the demographics of the borough.

Individual Service Line Unit Costs

How does spend compare to peer geographies by service line?

Doncaster		2020/2021 (£000s)	Unit	Unit Cost (£)	Unit Cost Score
TOTAL EDUCATION SERVICES (RO) £/aged 0-18	□	112,615.00	70,600.00	1,595.11	Very Low
TOTAL HIGHWAYS AND TRANSPORT SERVICES (RO) £/head	□	8,632.00	312,785.00	27.60	Low
TOTAL CHILDREN SOCIAL CARE (RO) £/aged 0-17	□	69,702.00	67,362.00	1,034.74	High
TOTAL adult social care (RO) £/aged 18+	□	94,497.00	245,423.00	385.04	Low
TOTAL CULTURAL AND RELATED SERVICES (RO) £/head	□	16,543.00	312,785.00	52.89	High
TOTAL PLANNING AND DEVELOPMENT SERVICES (RO) £/head	□	6,327.00	312,785.00	20.23	Average
TOTAL HOUSING SERVICES (GFRA only) (RO) £/head	□	8,285.00	312,785.00	26.49	Average
TOTAL ENVIRONMENTAL AND REGULATORY SERVICES (RO) £/head	□	26,218.00	312,785.00	83.82	High
TOTAL CENTRAL SERVICES (RO) £/head	□	15,647.00	312,785.00	50.02	Low
Total Public Health Services (RO) £/head	□	27,414.00	312,785.00	87.64	High
TOTAL OTHER SERVICES (RO) £/head	□	0.00	312,785.00	0.00	Very Low
TOTAL NET EXPENSE (RO) £/head	□	385,860.00	312,785.00	1,233.69	Very Low

Note: Table above reproduced as a full slide at Appendix D



Improving economy, efficiency and effectiveness

The Council has in place a number of regional networks which help it learn from other local government organisations to improve its operations and performance, including:

- Local Resilience Forum (LRF) Network which has been especially helpful during the Covid-19 pandemic identifying approaches taken by other organisations
- Regional Policy forums to discuss topical issues for example managing flood risks which the Council experienced in late 2019
- Yorkshire and Humber Leaders network which identifies current developments
- South Yorkshire Mayoral Combined Authority forum on issues of relevance for all South Yorkshire authorities
- LGA Peer review – used to identify development opportunities and good practice. This review is taking place later in 2022 and will cover a range of areas including effective leadership, governance, financial planning and capacity at the Council.

Partnership working and working with stakeholders

Doncaster MBC has appropriate partnership arrangements in place. Team Doncaster is the name behind Doncaster's Local Strategic Partnership. It brings together organisations and individuals from the public, private, voluntary and community sectors to take shared ownership and responsibility for Doncaster's vision, leadership and direction.

Team Doncaster Strategic Partnership established a portfolio group to oversee the partnership's priorities and the delivery of Doncaster Growing Together (DGT). Doncaster Growing Together 2017-2021 sets out the Council's ambitions for its people, businesses and communities.

However, during March 2020, the Team Doncaster Strategic Partnership was paused and transitioned into Team Doncaster Gold as the Council's emergency response to Covid-19. As a result, the Team Doncaster Operating Model was updated to address the actions required to tackle Covid-19 with three key areas of focus:

- reducing infection rates and increasing Covid-19 testing
- offering a first dose of the vaccine to all people in the top nine priority groups
- managing direct Covid-19 impacts by limiting hospital activity, limiting homelessness and maintaining public trust.

Given the impact of Covid-19 on people and businesses in the borough, the Council established a Partnership Renewal Board in July 2020, which is overseeing recovery with 5 areas of focus for the partnership (Economic Recovery, Housing Delivery, Environment, Addressing Poverty and a Local Operating Model).

The Council engages and consults with Key stakeholders in a number of ways including:

- Doncaster Talks - used to engage and gather comments and views via the Council's website
- Team Doncaster Strategic Partnership meetings which allow direct consultation with stakeholders (these are expected to recommence again shortly)
- Engagement with a number of other networks including the Green Space Network, Voluntary Action Doncaster, Local Parish and Town Council's.

Strong partnership arrangements and stakeholder engagement are clearly embedded within the Authority.

Procurement

The Council has in place a dedicated procurement team to ensure all procurements are in accordance with the

Council's contract procedure rules. As part of the procurement process, the Council aims to ensure all providers are treated fairly and equally and all procurement takes place in an open and transparent manner. The Council has in place clear methodologies for procurement with larger individual procurement exercises being overseen by the Strategic Procurement Team.

The Council's procurement is, in the main, undertaken on the YOR tender portal (for values over £25,000). YOR tender is the tender management system used by 28 councils across the Yorkshire and Humber region.

The Council has in place a Social Value Procurement Policy which sets out the Council's vision and approach to the delivery of social value through its commissioning and procurement activities under the Public Services (Social Value) Act 2012.

We have noted that the Council does not currently have in place a formally approved procurement strategy which sets out the Council's objectives and approach to procurement. However, we understand a procurement strategy is currently being developed. We consider such a strategy is important in consolidating the Council's existing approach to procurement and providing clarity in the procurement process and should be finalised as soon as possible. We have raised an improvement recommendation in this regard.

Conclusion

Overall, we are satisfied the Authority has appropriate arrangements in place for ensuring economy, efficiency and effectiveness in its use of resources. We have not identified any risks of serious weaknesses, however, we have made two improvement recommendations.

Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation 4 The Authority should further develop the Council's performance reporting by including performance indicators in tabular form showing the complete set of the Council's key performance indicators by service area and their current period performance, comparison from the prior period, RAG rating movement and comparison with the Council's stated targets.

Why/impact Members and stakeholders use the current Finance and Performance Improvement Reports to consider the Council's performance in key areas, however a complete set of key performance indicators are not routinely included in each quarterly Finance and Performance Improvement Report allowing an overall assessment of the Council's performance at any one time. This situation could provide a misleading assessment of the Council's performance.

Auditor judgement Whilst the current Finance and Performance Improvement Report includes a range of key performance indicators which are included in the narrative showing both improvement in performance and where improvement is needed, these indicators are incomplete and can vary from one report to another. There is a need for the Council to further develop the Council's performance reporting by including performance indicators in tabular form showing the complete set of the Council's key performance indicators by service area and their current period performance, comparison from the prior period, RAG rating movement and comparison with the Council's stated targets. This tabular analysis can be added as an Appendix to the report and will provide a complete assessment of the Council's key performance indicators.

Summary findings Existing reporting of the Council's key performance indicators is incomplete and can vary in each Finance and Performance Improvement Report. There is a need for the Council to routinely publish its complete list of key performance indicators to allow members and stakeholders to consider and assess performance on an on-going basis. This approach will also provide greater transparency in performance reporting.

Further detail is provided on page 17.

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Management comments Performance against service standards in tabular form, as outlined, is now reported in the quarterly Finance & Performance Improvement report, reported to Cabinet and OSMC. The covering report provides additional narrative and highlights the main points for members attention, both the positive achievements and exceptions against the standards. The Council will consider identifying and highlighting the most important service standards that would have the greatest impact to the delivery of our Corporate Plan.

The range of recommendations that external auditors can make is explained at Appendix B.



Improvement recommendation



Improving economy, efficiency and effectiveness

Recommendation 5 The Authority should finalise the procurement strategy which is currently being developed as soon as possible. This should set out the Council's objectives and approach to procurement.

Why/impact Without a formal procurement strategy, there is a risk that existing procurement processes may not be fully understood and complied with.

Auditor judgement The Council does not currently have in place a formally approved procurement strategy which sets out the Council's objectives and approach to procurement. Whilst various procurement processes are in place, we consider a procurement strategy is important in consolidating the Council's existing approach to procurement, providing clarity in the procurement process and setting out how it will support the Council's vision and strategic ambitions, as well as promoting competition and better value for money procurement. We note the Council is currently in the process of developing a procurement strategy which should be finalised as soon as possible.

Summary findings The Council has established procurement arrangements in place. However, an overarching procurement strategy has not been formally developed and approved for use although we understand one is currently being drafted. We consider such a strategy is important in consolidating the Council's existing approach to procurement and providing clarity in the procurement process and should be finalised and approved as soon as possible.

Further detail is provided on page 19.

Management comments The Council has drafted the Procurement Strategy and approval will be sought as soon as possible. The draft Procurement Strategy underpins the Council's corporate objectives and will give clarity on the approach to procurement and contracting.

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The range of recommendations that external auditors can make is explained at Appendix B.



8. COVID-19 arrangements



Since March 2020 COVID-19 has had significant impact on the population as a whole and how local government services are delivered.

We have considered how the Authority's arrangements have adapted to respond to the new risks they are facing.

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Financial sustainability

The Council has experience of and established arrangements in place to deal with one off significant events, in November 2019, the Council activated the Tactical Coordination Group to respond to the extensive flooding in and around Doncaster. These arrangements started to wind down in early 2020, however due to the Covid-19 pandemic, the Tactical Coordination Group arrangements were re-activated for Covid-19. These arrangements were supported by the Team Doncaster Strategic Partnership which transitioned into Team Doncaster Gold in March 2020 as the Council's emergency response to Covid-19.

The impact of Covid-19 has cut across the Council's activities, impacting both on its income in the collection rates of housing rents, Council Tax and Business Rates, and in expenditure, which has seen additional pressures.

To offset the additional costs of Covid-19, the Council received emergency Covid-19 funding from Central Government of £31.7m. Of this total, £24.3m was applied during in 2020-21, with the remaining balance being carried forward into 2021-22.

This additional funding together with the Council's healthy General Fund reserves has meant the Council's financial position has not been significantly impacted as a result of Covid-19 to the same extent as some other local authorities.

The Council has maintained a good oversight of its Covid-19 related costs and income losses. These were identified and recorded separately and subject to detailed monitoring. The Council's MTFS was also updated during September 2020, and detailed quarterly reporting against budget was provided to cabinet through the Finance and Performance Improvement Reports which were maintained throughout the year.

Governance

As a result of the lockdown restrictions announced on 16 March 2020, the Authority moved to ensure that all staff were able to work from home where possible. All office-based staff were provided with the necessary IT equipment to work from home, enabling a smooth transition to remote working where this was possible.

Home-based working has continued throughout the pandemic and there has been a good level of continuity of service. Enabling staff to work from home has also supported the Council in protecting its frontline staff and residents by reducing the risk of virus transmission.

The Authority also responded quickly to the pandemic following the introduction of regulations to hold formal meetings via remote attendance. All committee meetings moved to remote video conferencing arrangements to ensure a business-as-usual approach and to maintain effective governance arrangements.

All committees, but especially the Cabinet and Audit Committee have maintained a keen interest in the Council's response to the pandemic. Governance and oversight arrangements have continued to be in place.

Internal audit have acted in an advisory capacity throughout the pandemic, where processes and systems have had to adapt to changed circumstances. Internal audit also demonstrated it can offer a responsive service, adapting its annual plan to accommodate new reviews required as a result of changed circumstances, including for example, Covid-19 grant payments. Internal audit did not identify any significant weaknesses in key internal controls over the course of the year.

The Council's risk registers have also continued to be updated to ensure all risks are recorded appropriately, mitigated and monitored.

COVID-19 arrangements

Improving economy, efficiency and effectiveness

The Council's existing financial regulations and governance procedures have continued to remain in place during Covid-19 with no relaxation in the operation of routine controls.

The Council has increasingly needed to use the urgency provisions within the Council's Constitution and Contract Procedure Rules during 2020-21 due to the impact of Covid-19 in excess of previous years. However, all executive decisions taken under Special Urgency Provisions have been formally reported and authorised. In total, special urgency provisions were used on 32 occasions during 2020-21.

Partnership working is established within the Council and in the way the Authority operates on a day to day basis with its partners. In July 2020, the Council also established the Partnership Renewal Board to oversee the recovery from Covid-19 and the direct impact Covid-19 had had on people and businesses in the borough.

We have noted that the Council does not currently have in place a formally approved procurement strategy which sets out the Council's objectives and approach to procurement. Despite this, there are appropriate processes in place to ensure good value for money in the procurement of goods and services even with the impact of the Pandemic. However, as noted within Section 7 of our report, we consider the Authority should introduce a formal procurement strategy setting out the Council's objectives and approach to procurement. This will provide clarity in the procurement process, and how procurement aligns to the Council's vision and strategic ambitions and promotes better value for money.

Conclusion

Our review has not identified any significant weaknesses in the Authority's VFM arrangements for responding to the Covid-19 pandemic.



Appendices

Appendix A - Responsibilities of the Authority



Role of the Chief Financial Officer:

- Preparation of the statement of accounts
- Assessing the Authority's ability to continue to operate as a going concern

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B - An explanatory note on recommendations

A range of different recommendations can be raised by the Authority's auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the Authority to discuss and respond publicly to the report.	No Statutory recommendations have been raised in 2020-21.	N/A
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Authority. We have defined these recommendations as 'key recommendations'.	No key recommendations have been raised in 2020-21.	N/A
Improvement	These recommendations, if implemented should improve the arrangements in place at the Authority, but are not a result of identifying significant weaknesses in the Authority's arrangements.	Two recommendations have been raised on financial sustainability, one relating to Governance and two recommendations on improving economy, efficiency and effectiveness.	11, 12, 16, 20 and 21

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Appendix C - Use of formal auditor's powers

We bring the following matters to your attention:

Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

We did not issue any statutory recommendations under Schedule 7 of the Local Audit and Accountability Act 2014

Public interest report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public issue report under Schedule 7 of the Local Audit and Accountability Act 2014.

Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not apply to court under Schedule 28 of the Local Audit and Accountability Act 2014.

Advisory notice

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue an advisory notice under Section 31 of the Local Audit and Accountability Act 2014.

Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

Appendix D – Unit Service Expenditure

Doncaster			2020/2021 (£000s)	Unit	Unit Cost (£)	Unit Cost Score
+	TOTAL EDUCATION SERVICES (RO) £/aged 0-18		112,615.00	70,600.00	1,595.11	Very Low
+	TOTAL HIGHWAYS AND TRANSPORT SERVICES (RO) £/head		8,632.00	312,785.00	27.60	Low
+	TOTAL CHILDREN SOCIAL CARE (RO) £/aged 0-17		69,702.00	67,362.00	1,034.74	High
+	TOTAL adult social care (RO) £/aged 18+		94,497.00	245,423.00	385.04	Low
+	TOTAL CULTURAL AND RELATED SERVICES (RO) £/head		16,543.00	312,785.00	52.89	High
+	TOTAL PLANNING AND DEVELOPMENT SERVICES (RO) £/head		6,327.00	312,785.00	20.23	Average
+	TOTAL HOUSING SERVICES (GFRA only) (RO) £/head		8,285.00	312,785.00	26.49	Average
+	TOTAL ENVIRONMENTAL AND REGULATORY SERVICES (RO) £/head		26,218.00	312,785.00	83.82	High
+	TOTAL CENTRAL SERVICES (RO) £/head		15,647.00	312,785.00	50.02	Low
+	TOTAL Public Health Services (RO) £/head		27,414.00	312,785.00	87.64	High
+	TOTAL OTHER SERVICES (RO) £/head		0.00	312,785.00	0.00	Very Low
TOTAL NET EXPENSE (RO) £/head			385,880.00	312,785.00	1,233.69	Very Low

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Doncaster Council

Report

28th April 2022

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

To the Chair and Members of the AUDIT COMMITTEE

APPOINTMENT OF INDEPENDENT MEMBER TO THE AUDIT COMMITTEE

EXECUTIVE SUMMARY

1. This report seeks the Audit Committee's agreement to recommend to the Full Council that it gives approval to appoint Dr Stuart Green for a 4 years period as the Council's co-opted, non-voting, independent member to sit on the Audit Committee. Dr Stuart Green is an Assistant Professor in Accounting in the Business School of Durham University and is CIPFA (Chartered Institute of Public Finance and Accountancy) and ICEAW (Institute of Chartered Accountants in England and Wales) qualified in addition to Doctorates and Higher Doctorates in Accounting. He also holds independent non-executive director positions on the audit, remuneration and standards committees of several large public sector organisations.

EXEMPT REPORT

2. The report does not contain exempt information.

RECOMMENDATIONS

3. The Audit Committee is asked
 - a. To recommend that Full Council agrees the appointment of Dr Stuart Green as the co-opted, non-voting, Independent Member to sit on the Audit Committee for a 4 year term to 31st May 2026 and
 - b. To express its gratitude to Kathryn Smart as its outgoing Independent Member, for the eight years of highly valued guidance and support she has given the committee.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. The appointment of a co-opted member to the Audit Committee is not a statutory requirement. It is, however, in line with CIPFA best practice to have an independent person with a financial background and expertise in some areas of the roles and responsibilities of an Audit Committee. The person appointed will provide external robust challenge to the work of the committee which adds value to the Council operations in managing its risks and achieving its key priorities of improving services provided to the citizens of the borough. The work undertaken by the Audit Committee also improves and strengthens governance arrangements within the Council and its partners.

BACKGROUND

5. At the Annual meeting of Council on 13 June 2014, Council agreed to appoint one co-opted, non-voting, independent member to sit on the Audit Committee. Kathryn Smart was appointed following interviews to this position. Kathryn served a second term which comes to an end on 31st May 2022 and does not wish to serve a third term.
6. Accordingly the position was advertised and interviews were held in on 1st April 2022 by a panel comprising the Chair of the Audit Committee (Council Austin White), Vice-Chair of the Audit Committee (Councillor Glenn Bluff, supported by the outgoing Independent Member, (Kathryn Smart) and the Head of Internal Audit (Peter Jackson). The panel recommended Dr Stuart Green be appointed to this position.

OPTIONS CONSIDERED AND REASON FOR RECOMMENDED OPTION

7. Kathryn Smart's term will expire in May 2022. The Council can either carry out another recruitment process for a co-opted, non-voting independent member to sit on the audit committee, or it can leave the position vacant.
8. Kathryn brought a wealth of experience and knowledge on audit, finance and governance matters to the Audit Committee over her eight year term and has performed the role of co-opted, non-voting Independent Member diligently and has been highly regarded by both Members and Officers. Members of the Audit Committee have confirmed they appreciated the added value and support that the Independent Member brings and therefore approved the recruitment to reappoint to the position
9. It is therefore proposed that Doctor Stuart Green be appointed for a 4 years term, to 31st May 2026.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

10.

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

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

RISKS & ASSUMPTIONS

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

LEGAL IMPLICATIONS (Initials: SRF Date: 07.04.22)

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

FINANCIAL IMPLICATIONS (Initials: SJT Date:13.04.22)

13. A co-optees' allowance of £673 per annum is currently payable to any co-opted member sitting on the Council's Committees in accordance with the Members' Allowance Scheme. This is met from existing provision in the Members' Allowances budget.

HUMAN RESOURCES IMPLICATIONS (Initials: SH Date:12.04.22)

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

TECHNOLOGY IMPLICATIONS (Initials: PW Date:12.04.22)

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

EQUALITY IMPLICATIONS (Initials: PRJ Date: 07.04.22)

16. 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 (Initials: RS Date:12.04.22)

17. There are no direct health implications of this report. However good governance, including having an effective audit committee is integral to improving health and wellbeing of local people.

CONSULTATION

18. Recruitment for the position of the Independent Member was proposed following consultation with members of the Audit Committee.

BACKGROUND PAPERS

19. 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

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