

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

THURSDAY, 31ST JANUARY, 2019

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER - CIVIC OFFICE on THURSDAY, 31ST JANUARY, 2019, at 10.00 am.

PRESENT:

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

Councillors Iris Beech, Mark Houlbrook, David Nevett and Co-Opted Member, Kathryn Smart.

Also in Attendance:-

Councillor Majid Khan, Chair of Council (Item No.6)

Denise Bann	Strategic Lead Commissioning, AHWB
Patrick Birch	Strategic Lead Adults Transformation
Neil Concannon	Head of Service, Litgation & Regulatory (Item No. 6)
Debbie Hogg	Director of Corporate Resources
Peter Jackson	Head of Internal Audit
Steve Mawson	Assistant Director of Finance
Helen Potts	Principal Legal Officer, Education & Litigation (Item No.6)
Paul Dosset	Grant Thornton
Sarah Howard	Grant Thornton
Perminder Sethi	Grant Thornton

33 **Declarations of Interest, if any**

There were no declarations made at the meeting.

34 **Minutes of the meeting held on 25th October, 2018**

RESOLVED that the minutes of the Audit Committee Meeting, held on 25th October, 2018, be approved as a correct record and signed by the Chair.

35 **Audit Committee Action Log**

The Committee considered the Audit Committee Action Log, which provided an update on actions agreed at previous meetings.

The Audit Committee Action Log is updated for each meeting and enabled the Audit Committee to deliver its work plan against its Terms of Reference.

The Action Log provided detail with regard to the nine actions that arose out of the October meeting, of which four had been completed, and the remaining five were in progress and on track to be completed in due course.

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

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

Members considered the Regulation of Investigatory Powers Act 2000 (RIPA) Update, which is considered by the Committee on a six monthly basis. The Council occasionally has a need to utilise covert methods in the investigation of matters in relation to certain crimes, and in these cases, RIPA provided the mechanism to do so through either the use of surveillance or undercover officers and informants.

The Committee noted that the Council has had one RIPA directed application since the last update, and information on this, as well as updates on previous applications were attached at Appendix 3 to the report.

Members were also informed that as a result of revised codes of practice issued by the Home Office, it had been deemed appropriate that the Council amended its RIPA Policy and related documents, thus ensuring that the arrangements in place were fit for purpose and complied with the law. In addition to this, in light of the notification that there would be an inspection from the Investigatory Powers Commissioners Office in March, it had been considered important that the review and update was done prior to the inspection in order to stand them in good stead. Officers informed the Committee that they had not been provided with a date for this inspection yet, but once more information was known, an update would be given.

Following the update given to Members, the Chair afforded the Committee to ask any questions of the Officers in attendance.

Concerns were voiced regarding the increasing number of illicit tobacco sales in establishments across Doncaster, and queries were voiced if the Council was under increased pressure. However, Members were assured that the use of RIPA by Trading Standards officers had proven to be effective in addressing the problems.

At the Chairs discretion, the Civic Mayor, Councillor Majid Khan, also voiced his concerns regarding the issues surrounding illicit tobacco sales, and questioned what limitations there were in terms of using this evidence in prosecutions. Officers assured the Committee that they had robust procedures in place, which if followed correctly resulted in the provision of evidence that was admissible in Court. If this was not done correctly, then there would be work done on ensuring that adequate training provision was put in place, but there was no reason to dispute that this was the case.

RESOLVED that

- 1) The Audit Committee note there had been one RIPA directed application authorised since the last report to the Audit Committee on 21 June, 2018, which was detailed at Appendix 3 to the report;
- 2) The revised RIPA Policy and Procedure , attached at Appendix 1, and the Council's Non RIPA Procedure, attached at Appendix 2 to the report, which have been amended in compliance with the Home Office Codes of Practice be approved by the Committee;
- 3) Training be provided to relevant Officers in light of the amendments to the Home Office Codes of Practice; and

- 4) Trading Standards provide a briefing to the Committee at a future meeting with regard to the work undertaken by them once a RIPA directed application has been authorised.

37 Risk Management Strategy

The Audit Committee were presented with the revised Risk Management Strategy that incorporated recommendations made at the last Committee meeting, and reflected the results of a Risk Management Review undertaken. This aimed to ensure that there was a clear and documented process in place for the embedding of Strategic Risk Management and the review aimed to see the amalgamation of a number of current documents into one, with a focus on the following:-

- Streamlining and simplifying the approach to focus on the main themes within the strategy without losing a corporate grip;
- Outlining a risk appetite
- Ensuring risks were owned and managed within service areas;
- Embedding the updating and reviewing of operational risks into the Resource Management process;
- Standardising the approach to managing risks within transformational programmes / projects by utilising Pentana, the Council's electronic performance management system; and
- Adding a field to the 'target risk' profile.

Members welcomed the revised Risk Management Strategy, as it was felt that this was long overdue, and it provided a much more comprehensive way of assessing the Council's risks.

RESOLVED that the Chair and Members of the Audit Committee note the report.

38 Update Report on Contract and Commissioning in Adults, Health and Wellbeing.

The Committee considered a progress report that provided information from the Adults Commissioning and Contracts function, and improvements made within the last six-month period. Regular progress reports had been received by the Committee at six-monthly intervals since April 2017 in order to ensure that improvements within the function were being made.

Members were invited to raise any concerns on the report before them or ask any questions of the Officers in order that they were happy with the progress.

A query was raised with regard to the number of waivers highlighted within the report as this appeared to have risen. However, Members noted that the Adults Commissioning and Contracts Team had undertaken a huge workload over the past year, with a number of contracts to renew, and were now on track to deliver their targets. It was not envisaged that there would be any slippage and the Team were in a positive position and looking to the future where they hoped to deliver some in-depth pieces of work.

Following this, an additional comment was made in relation to breaches as there was no mention of any within the report. Members noted that there had been a small glitch at the end of 2018, but as a new contract had been agreed and was due to start a month later, this was handled as a waiver instead. Officers reported that the way the Team interacted on a social care basis was now very different, and whilst it was important they didn't become complacent, outcomes were now much improved which was a much more positive outlook for the future.

A brief discussion was held regarding the Solar Centre which continued to be a major piece of work. A separate report on this issue would be presented to Cabinet in May 2019, with work being undertaken with RDaSH, families and their carers with work being done to find solutions to enable more people to live more independently. By delivering things in a different way, Members were informed that it would cost the Authority less, and would enable savings to be made whilst still delivering a more improved service.

Members also queried the provision of help to those sleeping rough, and homeless over the Christmas period and what had been achieved. Officers reported that a lot of focus had been placed on this issue, with the number of people in this position reduced from 65 down to 16. There was investment being put into a programme which would focus on helping people get back on track and creating a sustainable scheme to support those in need.

RESOLVED that

- 1) the Audit Committee note the information contained within the report; and
- 2) agree that they no longer need to receive the progress report on a six-monthly basis, but a progress report be presented on an annual basis.

39 Internal Audit Progress Report for the period: October to December 2018.

Members were updated with the work undertaken by Internal Audit for the period October to December 2018 and were provided with details of the implementation of internal audit recommendations and the Internal Audit Teams performance information.

A summary of the main points was provided within the report, with it separated into the following sections:-

- **The Audit Plan / Revisions to the Plan**
Members noted that four new jobs had been added to the plan in response to emerging risks and concerns, which had resulted in some planned work being removed to accommodate this.
- **Audit Work Undertaken during the period**
It was reported that the work undertaken, continued to confirm that the Council had appropriate controls in place, and was working effectively.
- **Progress on the Implementation of audit recommendations**
It was noted by the Committee that there were currently 10 overdue major recommendations, all of which fell within the Adults, Health and Wellbeing Directorate. This was a decrease by two from the last reported period. Members also noted and acknowledged that very good progress had been made in implementing lower level recommendations, and the number of actions overdue was much better than previously reported.
- **Performance Information**
This section highlighted that four out of six performance indicators were above target with only two now below target although the Committee were informed that it was not anticipated that this would be an issue of concern.

Members of the Committee were afforded the opportunity to ask any questions on the report in order for clarity on any issues of concern. The progress made on overdue audit recommendations was welcomed, as was the improvement in control and governance

highlighted within the Adult, Health and Wellbeing Directorate, which also would be reflected in the Annual Governance Statement.

With regard to a query regarding the 10 major recommendations outstanding, Officers informed the Committee that these were being monitored regularly and further measures of control had been put into place which would impact on all outstanding recommendations.

Despite the lower level of work completed in relation to the Audit plan than anticipated, the Head of Internal Audit said he would still be able to give his annual opinion on the basis of work done, the improvements made across the Council and the detailed risk assessments undertaken as part of the planning process for the 2019/20 year.

Members voiced concern regarding some of the actions that had now been deleted from the plan, such as the Resilience / Emergency Plan and queried whether this was something that should remain. However, members were assured that this was the right decision at the current time, but would be reviewed as part of the planning process and if necessary would be audited in the future.

RESOLVED that

- 1) The Audit Committee note the changes to the original audit plan;
- 2) The internal work completed in the period be noted;
- 3) The Committee note the progress made by Officers in implementing previous audit recommendations; and
- 4) The Committee note information relating to Internal Audit's performance in the period.

40 External Auditor (Grant Thornton) Audit Plan 2018/19 and Arrangements for the preparation of the 2018/19 Accounts.

The external auditor, Grant Thornton had prepared a work programme in preparation of the 2018/19 Statement of Accounts and the timescales in which they would have to work.

The Statutory deadlines for producing the unaudited accounts was 31 May, and the approved audited accounts must be completed by 31st July 2019.

Members noted that there were four risks highlighted within Grant Thornton's report, two of which were standard, and two additional ones and although these had been highlighted, they were nothing particularly unusual and would be routinely reported in the Audit Findings Report. These risks were as detailed below:

- Management override of controls
- Fraudulent revenue recognition
- Property, Plant and Equipment Valuation
- Pension Fund net liability valuation

Members were given the opportunity to ask any questions of the representatives from Grant Thornton after consideration of the report, with Members questions answered in full.

There would be a further report from Grant Thornton presented to the Committee in April, prior to the sign off of the unaudited accounts in May 2019, and the presentation of the Audited accounts in July 2019.

RESOLVED that:-

- 1) The content of Grant Thornton's Audit Plan 2018/19 be noted;
- 2) The Committee noted the arrangements, including the draft timetable, to produce the 2018/19 accounts.

CHAIR: _____

DATE: _____