

**DONCASTER METROPOLITAN BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**THURSDAY, 30TH JANUARY, 2020**

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER - CIVIC OFFICE on THURSDAY, 30TH JANUARY, 2020, at 10.00 am.

**PRESENT:**

Chair - Councillor Austen White

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

**APOLOGIES:**

An apology for absence were received from Councillor R. Allan Jones

**ALSO IN ATTENDANCE:**

Peter Jackson - Head of Internal Audit  
Debbie Hogg - Director of Corporate Resources  
Denise Bann - Strategic Lead, Adults, Health & Wellbeing Commissioning  
Helen Potts - Principal Legal Officer  
Paul Dossett - External Auditor, KPMG

27 **Declarations of Interest, if any**

There were no declarations made at the meeting.

28 **Minutes of the meeting held on 24th October, 2019**

**RESOLVED** that the minutes of the Audit Committee Meeting held on 24th October, 2019, be approved as a correct record and signed by the Chair.

29 **Audit Committee Action Log**

Members of the Committee considered the Audit Action Log which detailed all actions agreed at previous Audit Committee Meetings. It was noted that the four actions previously requested at the January and October 2019 meetings were all progressing well and would be cleared from the log in due course.

Members commended the presentation of the report and welcomed the clarity within it, expressing their thanks for the use of 'plain English' without any confusing jargon.

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

### 30 Update Reports on Contract Commissioning in Adults, Health & Wellbeing

The Audit Committee were provided an update from Denise Bann, Strategic Lead, Adults, Health and Wellbeing with regard to the progress made in the past year.

The reporting of progress within Commissioning, had been in place since April 2017, due to a number of breaches of the Council's Contract Procedure Rules and also, a number of waiver requests.

The Chair reported that this area of the Council was now a well-governed section and he was pleased to see the improvements that staff had made in moving the teams forward.

Denise Bann informed the Committee that the department had a clear plan moving forward, and would be working closely with the Corporate Procurement Team in the future to ensure there was firm control of the issues remaining and to ensure any new issues that arose were picked up quickly and effectively. The Committee were assured that it was not anticipated there would be any significant increases in waivers or breaches in the future, as robust procedures were now in place. However, if there were, these would be picked up quickly and monitored regularly. However, it was suggested by Officers that there may not be the need to report to the Committee as regularly as in the past.

Members commended the work of officers and commented that the Team was a success story, having worked their way through considerable issues to ensure they were back on a level where they should be. The Officer stated that indeed, it was purely down to the hard work of the Team and that their aim was to remain on track in the future, but if there was any slide in performance it would be picked up straightaway.

RESOLVED that:-

- 1) The Audit Committee note the information contained within the report; and
- 2) Receive an update report in January, 2021, informing the Committee how the structure has been embedded and the further progress that has been made.

### 31 Internal Audit Progress Report for the period: October to December 2019.

Peter Jackson, Head of Internal Audit, presented a report to the Audit Committee, which updated Members on the work undertaken by Internal Audit for the period October to December, 2019. The report was an essentially positive report, and outlined the progress made with a series of actions.

It was noted that the level of planned audit work undertaken had reduced slightly due to the personal circumstances of staff members and whilst the work was being managed adequately, it obviously had some impact, but actions had been taken to further alleviate this in the coming months. Members noted that whilst there may be instances where pressure would mount due to lack of resources, there was still sufficient resources across the team to deliver a satisfactory level of audit work and provide the annual opinion on the organisations, risk, governance and control arrangements.

The report was positive and outlined the successful audit work undertaken throughout the period, including two extensive investigations that required a great deal of input.

Officers added that there were a number of pieces that had resulted in high-level recommendations that were all still in progress. There had been slippage on some of these

areas but appeared to be on track against revised dates, and the Committee would be updated on these at a future meeting.

The Committee were reassured by Officers that despite the staffing pressures alluded to in the course of the discussions, they still had the ability to deliver the required amount of audit work, and provide the required audit opinions as well as responding to any major pieces of work that came in.

RESOLVED that

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

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

Helen Potts, Principal Legal Officer presented a six monthly update report to the Committee with regard to the Regulation of Investigatory Powers Act 2000 (RIPA). The Committee received an Annual report and a 6-monthly update with regard to the Councils use of RIPA Powers.

It was noted that the Council has had not authorised any new directed surveillance operations under RIPA since the last update report on 19 June, 2019, but work under three previous investigations had now been completed, with further information on these provided within the body of the report.

Members were informed that the Interim Chief Executive had been provided with training on RIPA, as it was essential that this particular role received specific training with regard to the use of juveniles as a human intelligence source and whilst this had never been utilised, it had to be demonstrated that the training had been done.

Additionally, a number of training sessions had been offered to Staff within the Enforcement Teams, which had been positively received, and the Principal Legal Officer reassured the Committee that she understood all staff had now been given the necessary training but would check on this.

RESOLVED that

- 1) The Committee note that the Council has had no directed surveillance operations since the last report to the Audit Committee in June 2019, but that work under three previous authorisations has been completed;
- 2) The Committee note that in accordance with the Council's revised RIPA procedure an error report was made to the Investigatory Powers Commissioners Office (IPCO) relating to a potential unauthorised use of CHIS; and
- 3) The Committee note that four training sessions have been delivered to Enforcement Officers within the Enforcement Team, covering 64 officers in 2019.

33 External Auditor (Grant Thornton) Audit Plan 2019/20 and Arrangements for the Preparation of the 2019/20 Accounts

The Committee considered a report which provided an overview of the programme of work that the external auditor, Grant Thornton, would undertake in order to deliver their audit of the 2019/20 Financial Year.

Paul Dossett, Engagement Lead, Grant Thornton, outlined the programme of work and the thoughts and practices behind it. It was reported that a similar pattern of work would be undertaken as in the previous year, and would cover all the work required for completing the review of the Council's 2019/20 financial statements and the value for money conclusion.

The report provided details of the timetable, with the statutory deadlines for the unaudited accounts and approved audited accounts remaining at 31st May and 31st July respectively, as in previous years. It was reported that it was an achievable deadline and a target that had been achieved by DMBC previously, putting them in only the 58% of authorities nationwide who had managed this.

The Committee asked a number of questions relation to the service provided and sought reassurance that once there had been a staff handover following Paul Dossett's departure from the Doncaster Team that there would still be a wealth of audit experience to maintain the momentum. Members were assured that high quality support would continue, and Perminder Sethi, who had been engaging with Doncaster over the past year, would continue to be part of the Team.

Through the course of the discussions, the Chair referred to the letter attached to the report regarding the fee increases for the coming financial year. Members of the Committee were very concerned with what was essentially a 20% increase in fees and queried what justification there was for this. Members were concerned that the taxpayer was getting value for money as a result of the fee increases as essentially; the cost was laid at their door. It wasn't a moderate increase but a substantial rise, for which the Council would get no better service or any additional benefits. The Committee commented that they wished for their concerns to be passed on to the PSAA in order for a rigorous review of the increases to be carried out. The Committee stated there needed to be moderation over these fee increases checking if this was standard across the country and that Doncaster was not being singled out. The Committee felt that they were paying a lot more money for the audit tendered only a relatively short time ago.

Paul Dossett, Grant Thornton, acknowledged the concerns of the Committee and confirmed he would refer these back and whilst he understood their frustrations, explained that there were now more challenges faced nationally by auditors, and new expectations placed on them continually which resulted in the bar being moved on a frequent basis. Many additional costs were currently being absorbed by the company nationally, with a great deal of additional work undertaken.

Members thanked Grant Thornton's representative for his response, but there was a consensus amongst the Committee that they were not satisfied with the principle of increasing the tendered fees and requested that a letter be sent on behalf of the Chair and the Committee to the PSAA stressing their dissatisfaction with the current position they faced.

Members acknowledged there might be small annual variations but it was a priority to ask the PSAA, as the appointing body to carry out a rigorous evaluation of the fees.

Prior to the conclusion of the item of business, Paul Dossett expressed his thanks and gratitude to the Committee. He was moving on to another area of the country, and wished to place on record his thanks for the warm welcome as well as the challenges and questions he had been presented with. He commended the Committee on their professional manner and polite and courteous behaviour.

RESOLVED that:-

- 1) The Audit Committee note the contents of Grant Thornton's Audit Plan 2019/20;
- 2) The Audit Committee note the arrangements, including the draft timetable to produce the 2019/20 accounts; and
- 3) A letter be sent to the PSAA on behalf of the Chair and Committee regarding the Committees concerns surrounding the fee increases for 2020/21.

CHAIR: \_\_\_\_\_

DATE: \_\_\_\_\_