

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

FRIDAY, 26TH NOVEMBER, 2021

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER - CIVIC OFFICE, on FRIDAY, 26TH NOVEMBER, 2021, at 11.30 am.

PRESENT:

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

Councillors Barry Johnson, Dave Shaw and Co-opted Member, Kathryn Smart

APOLOGIES:

An apology for absence was received from Councillors Sophie Liu.

ALSO IN ATTENDANCE:

Debbie Hogg	- Director of Corporate Resources
Rob Isaac	- Financial Planning & Control Manager
Peter Jackson	- Head of Internal Audit
Faye Tyas	- Assistant Director of Finance
Gareth Mills	- Grant Thornton
Perminder Singh	- Grant Thornton

27 **Declarations of Interest, if any**

There were no declarations made at the meeting.

28 **Minutes of the meeting held on 28th October 2021**

RESOLVED that the minutes of the meeting held on 28 October, 2021, be approved as true record.

29 **Audit committee action log.**

The Committee considered the Audit Committee Action Log which updated Members on the actions agreed during previous meetings. This allowed Members to monitor progress against actions and sure satisfactory progress was being made.

The report stated that all actions were progressing and there were four currently outstanding from previous meetings. These included:-

- Breaches and waivers to the Councils Contract Procedure Rules (Homelessness Accommodation and Service Support waiver)
- Breaches and Waivers to the Councils Contract Procedure Rules – Update of waivers
- North Bridge Stores Transformation Project

- Internal Audit Plan 2021 to 2022

Members noted that two were now completed, with the two remaining scheduled for discussion at the January and April meetings of the Committee.

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

30 Statement of Accounts and Annual Governance Statement 2020/21 - Draft ISA 260 Report to those charged Governance.

The Audit Committee considered a report, which sought approval of the Statement of Accounts and Annual Governance Statement for 2020/21 as attached to the Appendix to the report and the key issues that the Committee should consider before the External Auditor issues their opinion of the financial statements. The Assistant Director of Finance updated the Members with any further key points to note prior to hopefully being signed off in the coming week.

The Chair and the Committee passed on their thanks to all the Teams within Finance who had worked to complete the audit under stressful circumstances.

Grant Thornton presented the ISA 260 report, detailing the key aspects of the external auditors work for the 2020/21 audit of the statement of the accounts. The Engagement Leads, Gareth Mills and Perminder Singh, highlighted the key headlines from the executive summary and outlined the messages and areas to note.

Members noted that the date of the approval of the Statement of Accounts had this year moved to November as a result of the issues nationwide with regard to the Pandemic. It was hoped that in time that this date would move back to its previous September deadline and the external auditors would keep the Authority informed with any relevant information in terms of this.

Following the presentation of the report and the associated updates, Members were invited to discuss the issues presented and put forward any queries to officers on areas on which they needed further clarity. The Committee were rigorous in their questioning, and officers endeavoured to provide them with the information they required in order to alleviate any concerns.

RESOLVED that:-

- 1) The Audit Committee note the draft external audit ISA 260 report;
- 2) Consider the Letter of Representation included in the draft ISA 260 report and endorse for signature by the Chair of the Audit Committee and the Chief Financial Officer;
- 3) The Committee approve the Statement of Accounts 2020/21;
- 4) The Committee approve the Annual Governance Statement 2020/21 for signature by the Mayor and the Chief Executive;
- 5) Delegate authority to the Chief Financial Officer, in consultation with the Chair, to agree any adjustments to the Statement of Accounts 2020/21, following the completion of the audit by Grant Thornton, should any changes

be necessary, prior to signing by the Chief Financial Officer and the Chair of the Audit Committee.

31 Preventing and Detecting Fraud and Error - October 2020 to September 2021.

The Committee considered a report, which summarised the work undertaken by the Council during the period from October 2020 to September 2021 to prevent, detect and investigate fraud and corruption. The report was positive, and outlined that the overall incidence of fraud remained low across the Council and proactive counter fraud activities to prevent and detect had proven successful.

Members noted that the fraud landscape had changed somewhat in the past year, as a result of the Covid-19 Pandemic, and Faye Tyas, Assistant Director Finance and Section 151 Officer gave assurance to Members that in terms of the grants and during the Council had received in relation to funding, this had been used in the proper manner. It was also noted that in the future, there would be further work undertaken to raise fraud awareness and publicise anti-fraud measures to ensure this remained so.

Following consideration of the report, Members were given the opportunity to comment on the information contained within. A query was raised in terms of the total number of incidents of fraud or error detected and why this appeared considerably higher than the number recovered. It was noted that in many of these instances it was error more than fraud and payments in the region of £108 million were made were checked rigorously but mistakes still occurred. In relation to this, it was queried if in fact a breakdown could be provided to identify these differences. Officers endeavoured to break this down further and feed the information into this in future in order that Members could see more clearly, where things were going awry.

The Chair thanked officers for the report and commented that overall, it demonstrated a lot of positive work had been done, and there were some good achievements to note.

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

CHAIR:_____

DATE:_____