

Auditor's Annual Report on Doncaster Metropolitan Borough Council

2020-21

13 April 2022



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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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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

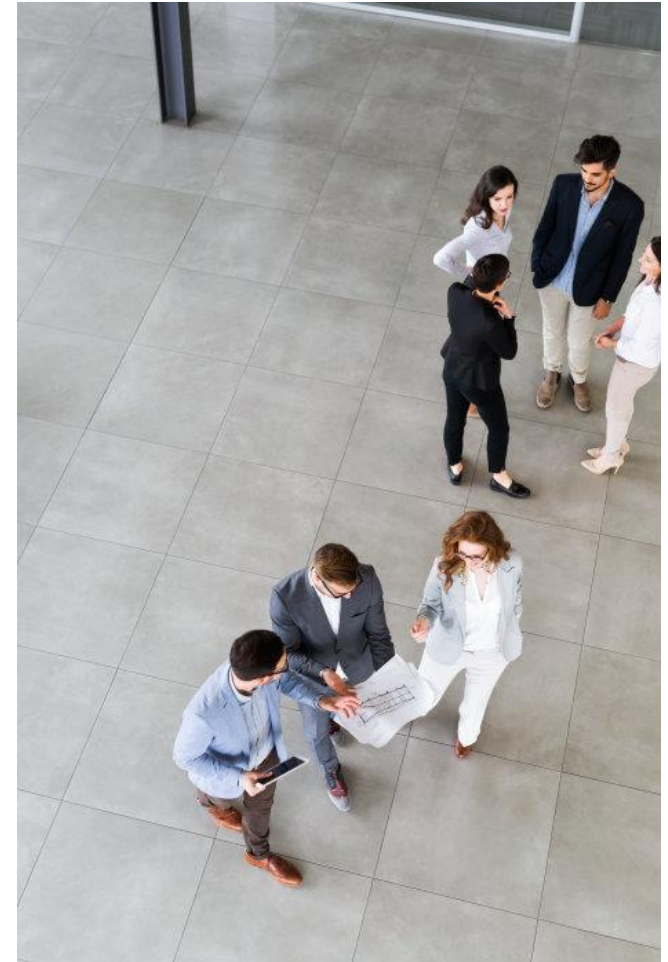
adjustments relating to Property, Plant and Equipment (PPE) and the Council's Net Pension Liability impacting on the Council's Balance Sheet:

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

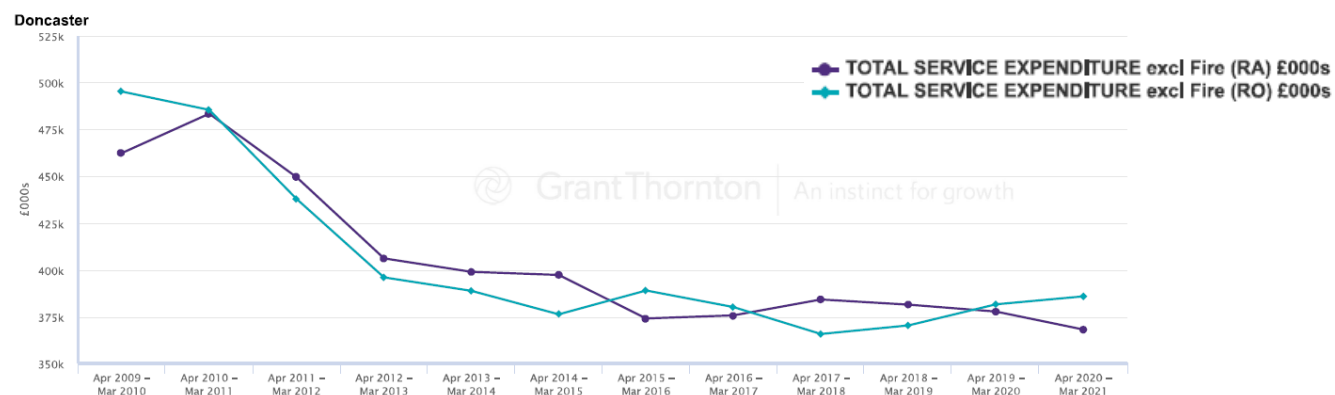
The Council has processes in place which detail the responsibilities of Authority members and senior management for planning and managing the Authority's finances. These are set out in the Authority's Constitution (Part 4 - Procedure Rules). We have not identified any evidence of the Authority not complying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

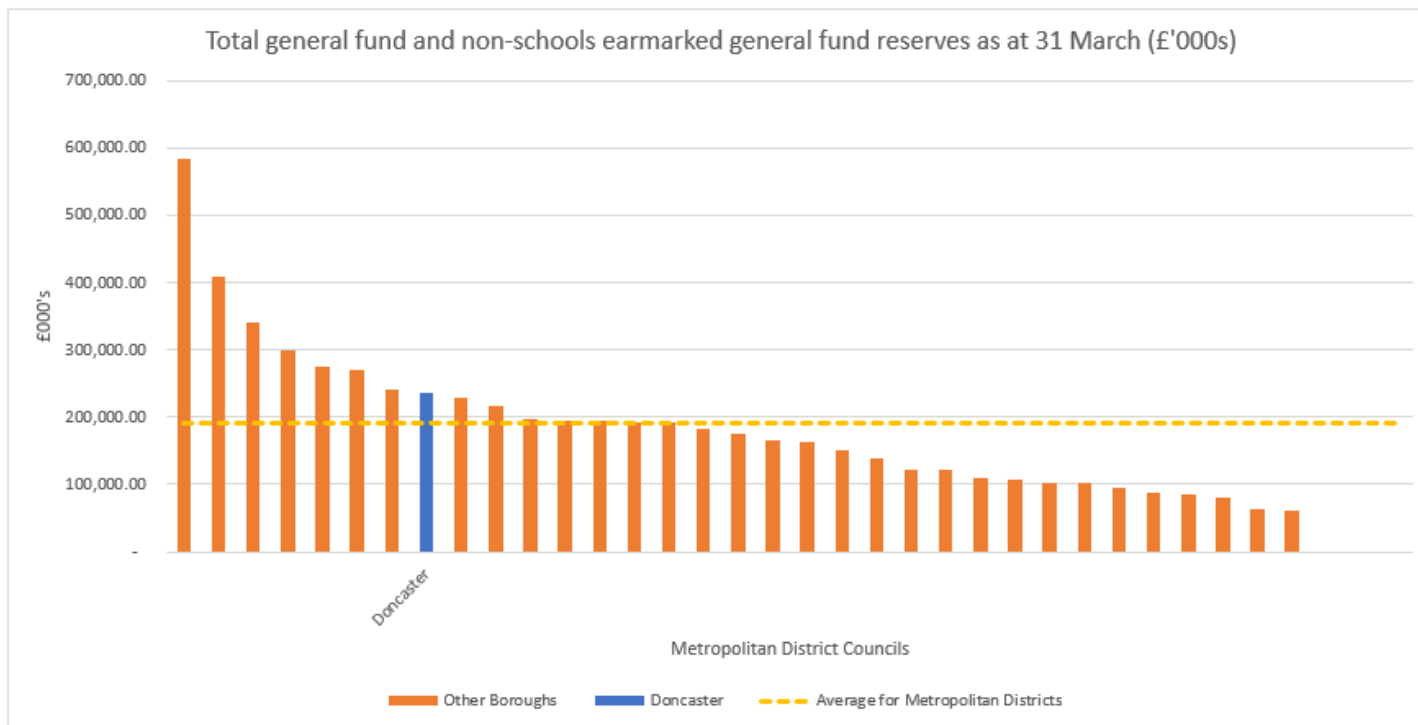
The Council's MTFS also sets out the savings to be delivered each year with £7.0m in 2020-21, £5.2m in 2021-22 and £3.8m in 2022-23, the shortfall of £1.7m is expected to be funded from reserves in 2022-23 if further savings are not identified before then. Given the unexpected additional funding in 2020-21, 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:

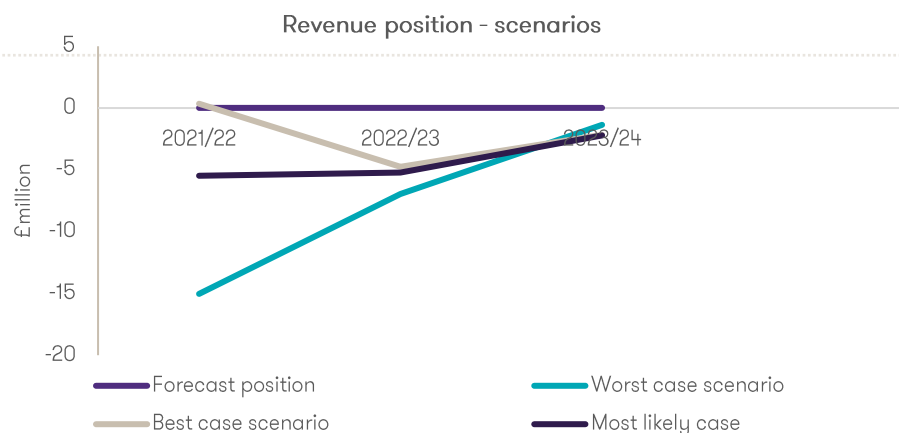
- a 1.99% Council Tax increase for each financial year
- for Adult Social Care, future costs, demand and income projections across the period of the MTFS
- a national pay award of 2.75% for 2021-22 and subsequent years, including increments being paid every other year
- for major contracts, many include 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: MTF5 2021-22-2023-24 – Forecast after savings schemes and use of reserves

The expected budget gap for 2021-22 included in the MTF5 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 MTF5 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.

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.

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.

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

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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