

CITY OF DONCASTER COUNCIL

AUDIT COMMITTEE

THURSDAY, 26TH JANUARY, 2023

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER, CIVIC OFFICE, WATERDALE, DONCASTER DN1 3BU, on THURSDAY, 26TH JANUARY, 2023, at 2.00 pm.

PRESENT:

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

Councillors John Healy

APOLOGIES:

Apologies for absence were received from Councillors Barry Johnson, Dave Shaw and Dr Stuart Green

73 **Declarations of Interest, if any**

There were no declarations made at the meeting.

74 **Minutes of the meeting held on 27th October 2022**

RESOLVED that the minutes of the Audit Committee Meeting held on Thursday, 27th October, 2022, be approved as a true record.

75 **Audit Committee Action Log.**

The Committee considered the Audit Action log which provided an update on all actions agreed at past Audit Committee Meetings. It was noted that of the actions detailed, three were now complete and one ongoing action remained outstanding and was on track for completion by April.

The ongoing action referred to the Breaches and Waivers to the Councils Contract Procedure Rules. At a previous meeting, Members had requested a review of arrangements and action plan was due to be presented with an update at the Audit Committee Meeting in April 2023.

RESOLVED that:-

- 1) The Committee note the progress being made against the actions agreed at the previous meetings.

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

The Committee considered the Covert Surveillance update report that provided an update on the Councils use of Regulation Investigatory Powers Act 2000 (RIPA).

In the past, the report had been considered on a six monthly basis, with an update and annual report. However, it was now recommended that this just be considered on a yearly basis with an annual report as there had been no issues arising and the number of covert surveillance undertaken remained low. This would be put forward as a recommendation within the Annual Report in July.

RESOLVED that the Audit Committee note that there had been one surveillance application authorised under RIPA since the Annual report to the Committee on 28 July 2022.

77 Internal Audit Progress Report for the period: October 2022 to December 2022.

The Audit Committee considered the Internal Audit Report for the period October to December 2022, which updated Members on all the internal audit work undertaken during this period.

The report provided information on the following areas:-

- The Audit Plan.
- Audit work undertaken during the period
- Progress on the Implementation of Management Actions arising from Internal Audit recommendations; and
- Performance Information.

Members noted that one major piece of work had been undertaken during the period with the planned upgrade of the Audit Software currently used, which would look to provide ongoing benefits to the efficiency of the Audit Team.

The move of the Doncaster Children's Services Trust back within the control of the Council had refocused a number of areas of work and plans were ongoing to ensure that work was not duplicated and the maximum objectives were achieved. A lot of work had been identified to look at in greater depth and focus would be placed on addressing these areas of concern, whilst the former DCST Audit Team would focus on the more routine areas of work.

Officers informed the Committee that risk levels remained low, there were currently no overdue high-risk management actions, which was positive and alongside many other sources of assurance meant there was currently no reason that there would be a negative or limited assurance annual opinion.

A key section of the update referred to the Annual Governance Statement, but Members acknowledged it was positive to note that there were no identified points of concern.

Queries were raised in terms of how much audit work had been undertaken during the past year, as due to the lack of resources it had not always been possible to carry out

as much as would have been hoped. However, there had been renewed focus on the most problematic areas.

The Committee were pleased to see that the number of management actions had reduced, with many of these implemented and only 16 awaiting implementation. This was lower than it had ever been and was a very positive outcome to acknowledge in advance of what could be some more turbulent times ahead.

RESOLVED that

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

78 Annual Preventing and Detecting Fraud and Error Report October 2021 to September 2022.

The Audit Committee were presented with the Preventing Fraud and Error Update report for October 2021 to September 2022. The report summarised the work done by the Council to prevent, detect and investigate any fraud during this time.

Members noted that Fraud remained low in terms of the size of the Council, which was pleasing to see.

One key point to note was in terms of the Business Support Grants given during Covid, and only 0.6% of these were paid due to fraud or error, and over half had been recovered. This was very low due to the large number of checks undertaken at every point by the Council to ensure that due diligence was carried out.

Members held a discussion with regard to some points detailed within the report, and officers provided further information where relevant. Some questions asked referred to the following:-

- Clarification on bank mandate fraud and reinforcement of procedures
- Incidence fraud
- Business Support Grants
- Future Planning

The Chair concluded by commending the good work of the Audit Team and it was a positive report and pleasing to see.

RESOLVED that the Audit Committee support the production of the Preventing and Detecting Fraud and Error report and agree to publicity being produced to

highlight the outcomes from the Council's anti-fraud activity and to act as a determinant to fraud.

79 Grant Thornton - Auditor's Annual Report 2021/22.

Perminder Sethi, Grant Thornton, was in attendance at the meeting to present the Auditors Annual Report.

The report was a positive report, and following on from last year, the direction of travel was going in the right way. In terms of financial stability, the Council, it was reported had a good track record of delivering a balanced budget, but this year the financial outlook had worsened and it was expected that there would be challenging times ahead. However, the Council was continuing to look at ways to manage additional costs and Grant Thornton outlined that they would continue to monitor the Councils financial position ahead of the budget and delivering a balanced outturn position. The Council continued to hold strong reserves and low borrowing, both of which were positive in relation to the current financial position nationally.

It was noted, that there were no significant weaknesses identified in terms of financial stability but two improvement recommendations had nevertheless been identified. These recommendations are detailed in more depth within the report but are outlined as follows:-

- 1) The Council should continue to closely monitor its financial position and identify remedial actions to address the budget gap identified in 2022-23 and beyond. In particular, consideration should be given to identifying a range of potential savings schemes in advance of need that can be implemented at short notice if required; and
- 2) The Council should develop and finalise both the short and long-term DSG action plans to allow appropriate actions to be implemented to address the expected DSG deficits in 2022-23 to 2025-26. Regular engagement should continue with DfE and other relevant stakeholders to work towards a sustainable financial position on DSG before the current Government regulations end in 2024 and the DSG deficit at that point could become a draw on the Council's usable reserves. Once the plans are agreed, they should routinely be monitored and progress reported to Members on a regular basis.

With regard to governance, the Council continue to have effective governance arrangements in place, in order to ensure its business was conducted appropriately, and no weaknesses were identified in this area of work.

In terms of improving economy, efficiency and effectiveness, Grant Thornton reported that the Council continued to work effectively and no weaknesses were identified here.

The Auditors Annual Report concluded that it expected to deliver an unqualified opinion on the Council when it was finalised at the end of January 2023, with all its key findings identified in depth in the report presented to the Audit Committee.

RESOLVED that the Auditors Annual Report 2021-22 be noted by the Audit Committee.

80 Appointment of External Auditor.

The Committee considered a report, which summarised the arrangements for appointing External Auditors. The External Auditor provided independent assurance for the people of Doncaster as to whether the Council had made proper arrangements in terms of the use of its resources and an external audit opinion on the financial statements.

The report recommended that the Committee re-appoint Grant Thornton as the External Auditor for Doncaster Council. The Committee saw this as a positive move and it would ensure that the good working relationship that had been created would continue.

RESOLVED that the Audit Committee note the outcome of the Public Sector Audit Appointments Ltd exercise to procure audit services for opted in bodies from 2023/24 onwards that Grant Thornton be reappointed as the External Auditor for Doncaster Council.

CHAIR:_____

DATE:_____