

DONCASTER METROPOLITAN BOROUGH COUNCIL

AUDIT COMMITTEE

THURSDAY, 19TH NOVEMBER, 2015

A MEETING of the AUDIT COMMITTEE was held at the COUNCIL CHAMBER - CIVIC OFFICE on THURSDAY, 19TH NOVEMBER, 2015, at 2.00 pm.

PRESENT:

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

Councillors John Healy, Alan Jones and Smart

CO-OPTED MEMBER

Kathryn Smart

Also in Attendance:-

Denise Bann, Head of Procurement
Scott Fawcus, Head Of Service, Contracts, Property & Governance – Legal
Roger Harvey, Assistant Director of Legal & Democratic Services & Monitoring Officer
Pat Higgs, Assistant Director, Adult Social Care
Bill Hotchkiss, Head of Service, Community Safety
Peter Jackson, Internal Audit Manager
Steve Mawson, Assistant Director, Finance
Simon Dennis (KPMG)
Claire Pritchard (KPMG)

APOLOGIES:

An apology for absence was received from Councillor Susan Durant.

29 Declarations of Interest, if any

Kathryn Smart declared a non pecuniary interest in Item 5 by virtue of being an employee of RDasH.

30 Minutes of the meeting held on 16th September, 2015

RESOLVED that the minutes of the meeting of the Audit Committee held on 16 September, 2015, be approved as a true record.

31 Financial & Purchasing and Contract Procedure Rules.

The Committee received a report that provided details of Waivers and Breaches to Contract Procedure Rules for the period 1 April to 30 September, 2015. Members were informed by the Assistant Director of Finance, that the values for this period were considerably lower than in the past, and it was a considerably pleasing outcome.

Members were informed that there had been 2 breaches and 29 waivers for the period and the report provided detailed information on these.

The two breaches were both within the Adults, Health and Well-Being Directorate, with one relating to the Solar Centre Day Service, and the other relating to the Service and Maintenance for Public Realm CCTV, Concierge/Door Entry and Building Security.

The relevant Officers endeavoured to provide further information on these breaches and invited any questions from Members, provoking an in-depth discussion on these issues.

The Head of Service for Community Safety was in attendance at the meeting and informed the Committee that the Service and Maintenance Contract was in breach. This was due to a number of contracts needing to be consolidated, and the need for best value to be achieved. There was work currently being undertaken and the proposed framework agreement would allow for more companies to bid for the work ensuring more competitive prices. The initial documents had been prepared but there were still a number of issues needing work and had therefore resulted in the breach. However it was hoped that the tender would now be published at the end of March 2016, and would look to achieve value for money.

The Assistant Director of Adult Social Care provided an update on the Solar Centre, reporting that this issue had been a breach for some time. Work was currently underway to resolve this situation, and the users of the Solar Centre were having their cases reviewed with a view to personalised budgets being provided. There is a considerable amount of work to be done on this item, as the tendering process is constrained due to the building where the Solar Centre is based being owned by RDaSH and therefore cannot be let to a different service provider. Members were informed that the proper procedures had to be followed and although this had been ongoing for some time, it was imperative that this was done correctly in order to avoid any future challenges. However, until this was properly worked through and all relevant reviews were undertaken, the contract would remain in breach.

The Committee discussed the number of low level waivers that had been put forward and agreed to recommendations to introduce a £5k limit on waivers.

RESOLVED that the Committee note the information and actions contained within the report regarding waivers and breaches.

32 Danvm Drainage Board Governance Review Update.

The Committee considered a report that provided an update on concerns raised at the April Meeting of the Audit Committee with regard to the Danvm Drainage Board. Complaints had been made by a member of the public to the Mayor with regard to matters previously raised by the individual that had not been appropriately dealt with by the Board.

The initial report considered by Members in April had raised a number of issues further to a review carried out by DMBC's Audit Team which had prompted a number of recommendations. The Audit Team were now in a position to report that good progress had been made since April, and as of 23 October, 2015, 23 out of 40 recommendations had been fully implemented, and aside from one, all further recommendations were in progress. Members noted that although it was disappointing more recommendations hadn't been implemented, this was still an encouraging direction of travel.

Members were informed by Officers that with regard to the issues that remained outstanding, a 'task and finish' group would be established in order to bring this matter to a conclusion.

With regard to the referral to the National Audit Office / DEFRA, whilst there was no specific date by which the review had to be concluded, DEFRA appeared to be reasonably relaxed about the matter and it was hoped that this would be finalised as soon as possible.

The Internal Audit Manager reported that he had offered assistance with regard to the finalisation of these recommendations and it was hoped that the Board would take up this offer to ensure a conclusion.

Members raised a number of queries and concerns relating to the review, and Officers endeavoured to respond to these. Points were raised with regard to the following:-

- The number of members on the Drainage Boards;
- The need for a dedicated minute taker at Board meetings to ensure accuracy of decisions made;
- The need for input from other Local Authorities who provide funding to the Drainage Board;
- The need to drive this further forward;
- The need for training to be undertaken to enable members to realise their role on the Board; and
- The issue of 'them' and 'us' in terms of the landowners and nominated representatives, and the need to overcome this to drive improvement.

It was acknowledged that it was indeed a very complex issue and there was still a long way to go but Members were appreciative of the progress made, and thanked the Internal Audit Manager for all his work and asked for an update on the issues raised and the ongoing problems at the next appropriate meeting.

RESOLVED that the Audit Committee note the progress of the Audit Review.

33 Review of Progress in implementing external inspection recommendations.

The Committee received an update report with regard to a report presented at the last meeting in September, regarding the implementation of external recommendations across the authority.

Members noted the current position in relation to the 160 recommendations made in inspection reports relating to the whole authority since 2010. With regard to these recommendations, the current position was as follows:

- 121 recommendations had been fully implemented
- 19 recommendations were partly implemented
- 15 recommendations were in progress but would be late in implementing
- 5 recommendations were outstanding and the status was unknown.

With regard to the 5 recommendations where the status was unknown and the 15 recommendations that would be late in being implemented, it was explained that these related to Children's Centres. However, as the current Inspection Cycle for Children's Centres was currently on hold due to an ongoing national consultation about their future framework, these were not currently being pursued as work is being undertaken to meet the new standards.

It was also stated that these related to centres rated as satisfactory, good or outstanding and therefore these actions were only a relatively low level. The exception was Moorends Children's Centre where an action plan to address the 4 remaining actions from the original 15 was in place.

Concerns were raised by Members as to whether or not they should be pursuing the outstanding actions as it was felt by the Committee that the Authority should look to implement all recommendations as proposed. However, the Committee was assured that Auditors had held discussions surrounding this and were satisfied with the outcome as the Council's responsibilities were still being managed. Members further noted that the inspections relating to other recommendations preceded the establishment of the Doncaster Children's Trust and

the new Early Help Strategy, and new recommendations would be brought about as a result that would be implemented in the future. These initial recommendations were therefore deemed out of date in terms of the Council's current responsibilities, particularly in light of the establishment of the Trust. Officers aimed to allay the concerns of Members by informing them that the Ofsted inspection recently undertaken would be published on 27 November, 2015 and this would result in a new action plan being put into place. This report would be fed back through the relevant bodies.

Although there was still concern that the recommendations produced under the Carlile report should be implemented, Members were reassured that arrangements had progressed since then, and although they were deemed appropriate at that time, the establishment of the Children's Trust, the new Early Help Strategy, and finally the recommendations as a result of the Ofsted Inspection ensured that changes and improvements were continually being made.

RESOLVED that the Audit Committee note the updated position in respect of progress on External Inspection recommendations.

34 KPMG Annual Audit Letter 2014/15

The Committee were presented with a report that referred to KPMG's Annual Audit Letter for 2014/15. The Annual Audit Letter summarised the activity throughout the year and signified the formal sign off of the audit to the Audit Committee.

The Annual Audit Letter confirmed that the external auditor:-

- Issued an unqualified opinion on the Council's core financial statements and associated disclosure noted included in the Council's 2014/15 Statement of Accounts;
- Concluded that the Council made appropriate arrangements to secure financial resilience and economy, efficiency and effectiveness in the use of its resources; and
- Issued an audit certificate to demonstrate that the full requirements of both the Audit Commission's Code of Practice and the Audit Commission Act 1998 had been discharged for the year.

Claire Pritchard and Simon Dennis from KPMG were in attendance at the meeting to present the report and provide any further information where needed.

Members of the Committee noted that the Council has made further improvements in its timeliness, accuracy and quality of its final accounts over the last five years with significant improvement in terms of its standards and performance in producing and publishing the Statement of Accounts.

The 2014/15 Statement of Accounts received an unqualified opinion on 28th September, 2015 with the audit certificate issued on 1st October, 2015. This determined that the audit had concluded that financial statements provided a true and fair view with regard to the financial position of the Council.

A query was raised with regard to the additional work which fell outside of the Public Sector Audit Appointments Limited (PSAA), which the representatives from KPMG aimed to provide clarity on. This included the Teacher's Pension Grant Claim. Members were informed that there was still a requirement to get an auditors opinion on these issues, but this was done as a separate piece of work.

Following consideration of this item, the Chair reported that this would be the final meeting of the Audit Committee that Simon Dennis would be attending. The Chair and Members thanked him for his hard work and wished him well for the future.

RESOLVED that the Audit Committee:-

- 1) Note the contents of the Annual Audit Letter; and
- 2) Note the overall significant and positive progress made by the Council.