



## Audit and Governance Committee

Minutes of the meeting held at County Hall, Colliton Park, Dorchester,  
Dorset, DT1 1XJ on Monday, 12 March 2018

### Present:

David Harris (Chairman)  
Clare Sutton, Richard Biggs, Cherry Brooks, Ray Bryan and Andrew Parry.

### Members Attending:

Deborah Croney attended as the Cabinet Member for Economy, Education, Learning and Skills.

Officers Attending: John Alexander (Senior Assurance Manager - Performance), Rupert Bamberger (Audit Manager - South West Audit Partnership), Marc Eyre (Senior Assurance Manager (Governance, Risk and Special Projects), Darren Gilbert (Director - KPMG), Richard Ironside (Finance Manager), Nick Jarman (Interim Director for Children's Services), Mark Taylor (Group Manager - Governance and Assurance), Sally White (Principal Auditor - South West Audit Partnership) and Denise Hunt (Senior Democratic Services Officer).

(Notes: These minutes have been prepared by officers as a record of the meeting and of any decisions reached. They are to be considered and confirmed at the next meeting of the Committee to be held on **Friday, 29 June 2018.**)

### Apologies for Absence

18 Apologies for absence were received from Andrew Cattaway, Steven Lugg and Bill Trite.

### Code of Conduct

19 There were no declarations by members of any disclosable pecuniary interests under the Code of Conduct.

### Minutes

20 The minutes of the meeting held on 19 January 2018 were confirmed and signed.

### Public Participation

#### 21 Public Speaking

There were no public questions received at the meeting in accordance with Standing Order 21(1).

There were no public statements received at the meeting in accordance with Standing Order 21(2).

#### Petitions

There were no petitions received in accordance with the County Council's petition scheme at this meeting.

### Points from the Chairman

22 The Chairman announced that a meeting had taken place with the Chairman of the Local Enterprise Partnership (LEP) that had also been attended by Councillors Ray Bryan and Cherry Brooks. The purpose of the meeting had been to ensure that the LEP understood the role of the Committee in scrutinising the LEP. The discussion had been positive with an emphasis on putting in place firm scrutiny foundations for the two unitary authorities as a result of local government reorganisation (LGR).

Members asked about oversight of the LEP during the next 12 months and were advised that this could be achieved by looking at the actions arising from an audit of the LEP undertaken by the South West Audit Partnership (SWAP). This audit had identified a significant number of gaps in governance, not all of which had been addressed. It was also suggested that this area was considered by the Shadow Authority as part of the joint scrutiny arrangements.

Of particular concern to members was the fact that Dorset had secured the second lowest amount of funding from the LEP in the South West region. It was therefore hoped that a change to a unitary model of local government would increase understanding and secure a greater proportion of funding in future.

### **Resolved**

1. That information provided at the meeting with the LEP is circulated to the Committee for information; and
2. That the SWAP audit report of the LEP is circulated to the Committee

### **Progress on Matters Raised at Previous Meetings**

23 The Committee considered a report containing outstanding actions since the last meeting on 19 January 2018.

It was confirmed that no further progress had been made regarding the scrutiny of Looked after Children. Members were informed that there would be a presentation to the Overview and Scrutiny Management Board at its April meeting regarding a proposed Inquiry Day in June in order to avoid any duplication with the work of the Corporate Parenting Board.

### **Resolved**

That the scoping document for the Scrutiny Review of Looked After Children is shared with the Director of Children's Services.

### **Financial Management Report**

24 The Committee considered a report by the Chief Financial Officer that provided an update on the anticipated outturn for 2017-18 based on the January projections. Members were updated on the February forecast that had shown a predicted overspend of £2.4m.

The Interim Director for Children's Services had been invited to attend the Committee meeting to inform members on activities taking place to reduce the overspend in Children's Services.

The Interim Director stated that a more realistic budget had been set for 2018-19 and he outlined some of the challenges and areas of risk including:-

- Increasing the recruitment of in-house foster carers to reduce the use of more expensive private provision, particularly for those children with the highest needs.
- Reducing the number of children coming into care by ensuring that social worker caseloads were manageable. Previous audits had shown inconsistency in practice due to high caseloads and the need to raise quality and consistency to a common high standard. It might also be necessary to reduce the number of local offices in order to concentrate areas of management expertise. A second recruitment campaign for social workers in January 2018 had resulted in the successful recruitment of 11 social workers (out of a total of 30 required) despite a very competitive market.
- Pressures on the high needs budget arising from a surge in demand of 24% following introduction of the Education and Health Care Plans (EHCP). It would be imperative to secure a balanced budget for 2018-19, a matter that

would be discussed at the Schools Forum on Friday 16 March 2018. Engagement with the Clinical Commissioning Group on this issue had not yet taken place as this would remove officers from the more pressing issues that needed to be addressed.

Members highlighted the need for the cost of living in Dorset to be addressed in this context.

The Cabinet Member for Economy, Education, Learning and Skills advised that key worker housing was a priority area with several ongoing strands of work, including a national scheme supported through the Homes and Communities Agency. This involved compiling a register of interest of people living and working in the area who could not afford to buy as a point of evidence for developers.

Members asked about the early intervention and prevention programme to reduce the level of children coming into care. It was confirmed that there was an overall downward trend and that the results of this programme should become evident from June 2018.

### **Noted**

#### **Annual Audit Letter 2016-17**

25 The Committee considered a report by KPMG, the Council's external auditors.

The Director confirmed that the value for money (VFM) conclusions relating to Children's Services had been focussed on the systems and arrangements in place in order to tackle the issues. An unqualified opinion had been issued on the value for money conclusion arising from the audit in 2016/17 and there were no critical issues.

### **Noted**

#### **Interim Audit 2017/18**

26 The Committee considered a report by KPMG, the Council's external auditors concerning the 2017/18 audit. The outcomes of the audit would be reported in June 2018 in the "Report to those charged with Governance".

Members asked about the risk associated with a new authority and were informed that this would receive greater audit focus in the next financial year including explicit VFM work to track the process from a shadow authority and a parallel view on business as usual and transformation work.

Members asked about the lack of prioritisation of cyber security given the variety of devices that were used and could be potentially accessed. They were informed that it was the responsibility of external auditors to look at the elements that met the criteria in order to issue a safe opinion with testing on a sample basis and these were areas that would also be addressed as part of the internal audit process.

### **Noted**

#### **Draft Internal Audit Plan 2018-19**

27 The Committee considered a report by the South West Audit Partnership (SWAP).

It was confirmed that specific audit work in relation to cyber security had been included in the 2018-19 plan and that this issue would also be raised at the next SWAP Board meeting. It was suggested that the Committee may wish to invite the ICT Manager to a future meeting to further inform members of the security framework.

It was noted that the Economic Growth Overview & Scrutiny Committee would be

looking into the issue of broadband accessibility, particularly Superfast Broadband, for both residents and businesses.

A member asked whether the review of Dorset Waste Partnership under the Healthy Corporate Plan outcome could incorporate enforcement from a resident's viewpoint and it was agreed that this element could be incorporated in the audit.

### **Noted**

#### **Report in Internal Audit Activity - Plan Progress 2017/18**

28 The Committee considered a progress report by the South West Audit Partnership (SWAP).

It was confirmed that follow up work in respect of the Safer Recruitment audit had shown that all of the high priority actions had been addressed. However, further work had been identified that would be closely monitored in conjunction with the Head of Organisational Development until such time as the situation had been resolved.

Members queried how the information for an external organisation, such as Tricuro, fed into this process and were informed that SWAP liaised with the Transformation Programme Lead for the Adult and Community Forward Together Programme who was the audit sponsor for this area.

The resilience of ICT during the recent bad weather would be included in the follow-up audit in Quarter 1 2018-19 and reported back to the Committee. It was noted that an issue had arisen due to the high number of people working remotely using devices that had not been connected to the network for some time and that actions could be taken to mitigate this happening in future.

Members asked about the future direction of SWAP in light of the recent decision in respect of LGR and noted that its services were currently used by the Dorset Councils Partnership and Dorset County Council, but not by Purbeck, Christchurch or East Dorset District Councils

### **Resolved**

1. That the Chairman liaises with the Audit Sponsor for Tricuro to gather information on the actions being taken in relation to the Safer Recruitment audit; and
2. That a further report is considered regarding the Safer Recruitment audit.

#### **Draft Annual Governance Statement 2017-18**

29 The Committee considered a joint report by the Chief Executive and Chief Financial Officer containing a newly designed Annual Governance Statement, that had been informed by the Local Code of Corporate Governance and the high risks listed in the Corporate Risk Register. The Committee was being asked to comment on the Statement prior to its presentation to Cabinet.

Members considered the layout of the document to be much improved and highlighted areas that could be given greater prominence including LGR, the risk posed by a lack of infrastructure (housing, school places, GP surgeries etc), Superfast Broadband in terms of its value for money and Dorset coverage and the impact of the delay in setting up the Brexit Advisory Group, particularly in relation to immigrant key workers and the implications for businesses in Dorset. The view was also expressed that having an overview and scrutiny committee structure based on outcomes did not in itself provide assurance and that there had been some repetition in the Statement in this respect.

There was some debate concerning key worker housing and how this was being addressed in the short term. Interim solutions being investigated included the use of

land owned by the local authority for housing, care villages and the introduction of modular housing solutions, some of which would be considered by the Economic Growth Overview & Scrutiny Committee.

Work was at an early stage to map the risk landscape and compile a risk register for the new organisation that would ensure focus in the right areas given the short implementation timescale.

### **Resolved**

1. That greater prominence is given in the Annual Governance Statement to LGR, infrastructure including interim solutions for key worker housing, school places and GP surgeries;
2. That further scrutiny of Superfast Broadband is co-ordinated in order to determine its true accessibility in Dorset and whether it is providing value for money; and
3. That the Committee expresses its concern that the Brexit Advisory Group has not met following a report to the Economic Growth Overview and Scrutiny Committee in October 2017.

### **Monitoring Corporate Plan Outcomes: Update on Overview and Scrutiny Committee Activities, March 2018**

- 30 The Committee considered a report by the Chief Executive providing a summary of the approaches taken by the Overview and Scrutiny Committees in addressing issues relating to delivery of the Corporate Plan and to seek assurance that these committees were addressing the right areas adequately.

Following introduction of the report, members were asked whether there were any significant issues that they considered were not being adequately reported or if the performance information did not reflect what was happening on the ground.

Members highlighted the following issues:-

- Superfast Broadband being on target for 95% target coverage based on population rather than geographical area and many homes not achieving the minimum of 24mb required to access Superfast Broadband.
- Whether the equalities impact assessments referred to in committee reports were meaningful. This was identified as an area where internal audit might be involved.

Members discussed the relevance of equality impact assessments in influencing both strategy and policy and were provided with an example of where inequalities including social isolation and alcohol related harm might lead to the larger outcome of lower life expectancy. Information in relation to smaller geographical areas were considered by the Overview and Scrutiny Committees in order to identify issues and target the appropriate resources.

The Committee noted that concerns regarding the accessibility of Superfast Broadband had been raised at an early stage, however, these issues had not been progressed in order to challenge whether the service was offering value for money, particularly in relation to accessibility in rural areas.

On a related matter, members reported that they felt that the public were also being misled regarding coverage from mobile providers such as Vodafone and that this could be an area that was scrutinised by the Economic Growth Overview and Scrutiny Committee.

### **Resolved**

1. That the Committee was not reassured concerning the performance indicators in relation to Superfast Broadband and that the Economic Growth Overview and Scrutiny Committee gives consideration to further investigation of broadband and

- mobile phone provision.
2. That an internal audit of Equality Impact Assessments (EQiA) is included in the audit programme to determine whether these are being considered in sufficient depth.

### **Work Programme**

31 The Committee noted its workplan.

### **Questions from County Councillors**

32 No questions were asked by members under Standing Order 20 (2).

Meeting Duration: 10.00 am - 12.55 pm