



Date of Meeting: 17 September 2019

Lead Member: Cllr Matt Hall – Chair, Audit & Governance Committee

Local Member(s): N/A

Lead Officer: Aidan Dunn

**Executive Summary:**

Dorset Council's emerging governance arrangements involve review of the quarterly financial management reports by the Audit & Governance Committee after they have been received by Cabinet.

This report covers the Qtr1 report that was presented to Cabinet on 30 July 2019.

The Cabinet report is attached as Appendix 1. Members may also wish to refer to minutes of the Cabinet meeting for further information regarding the discussion of the report.

**Equalities Impact Assessment:**

This report does not deal with any new strategies or policies that would trigger an impact assessment.

**Budget:**

The report sets out a forecast overspend of £7.1m on Council budgets plus a further predicted overspend of £5.5m on the Dedicated Schools Grant.

The narrative around key variances is set out in the Cabinet paper and is therefore not repeated here.

**Risk Assessment:**

Current Risk: HIGH

Residual Risk: HIGH

Any overspend in 2019/20 will impact on the Council's general funds and/or reserves.

As well as any overspend in-year, the Council will need to take account of any continuing cost or volume pressures when setting the budget strategy for 2020/21 and in the development of the Medium-Term Financial Plan (MTFP).

**Climate implications:**

N/A

**Other Implications:**

N/A

**Recommendation:**

It is recommended that the Committee:

1. note the predicted overspend at the end of the first quarter;
2. note the context around the budget that was set for the year;
3. discuss and agree what courses of action the Committee wishes to pursue in light of the forecast overspend.

**Reason for Recommendation:**

Amongst other things, the Committee's terms of reference refer to "the Council's risk management framework including the internal control environment, integrity of financial reporting and governance arrangements;".

Effective financial management is a cornerstone of this responsibility.

**Appendices:**

Cabinet Qtr1 Finance report 30 July 2019

**Background Papers:****Officer Contact:**

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