

## **DORSET COUNCIL - AUDIT AND GOVERNANCE COMMITTEE**

### **MINUTES OF MEETING HELD ON WEDNESDAY 20 MAY 2020**

**Present:** Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Simon Christopher, Susan Cocking, David Gray, Brian Heatley and Nocturin Lacey-Clarke

**Apologies:** Cllrs Mike Parkes and Bill Trite

**Officers present (for all or part of the meeting):**

Aidan Dunn (Executive Director - Corporate Development S151), Marc Eyre (Service Manager for Assurance), Jonathan Mair (Corporate Director - Legal & Democratic Service Monitoring Officer), David Trotter (Risk and Resilience Officer), Susan Dallison (Democratic Services Manager) and Fiona King (Democratic Services Officer)

**67. Apologies**

Apologies for absence were received from Cllrs Mike Parkes and William Trite.

**68. Minutes**

The minutes of the meeting held on 16 January 2020 were confirmed and signed.

**69. Declarations of Interest**

No declarations of disclosable pecuniary interests were made at the meeting.

**70. Public Participation**

There were no representations from parish or town councils or from members of the public.

**71. Annual Governance Statement**

Members considered a report from the Corporate Director for Legal and Democratic which set out the key features of the governance framework in place in the Authority and provided a review of its effectiveness.

Members were advised this was the first Annual Governance Statement for the newly formed Dorset Council and had been based on the previous County Council's statement. Since March the report had been updated due to the Covid 19 campaign.

The Chairman made reference to Key Performance Indicators (KPIs) and asked when members were likely to see them and if they would be available for the July meeting. The Service Manager for Assurance advised that within the risk management update it was key that there were appropriate links between risk and performance. The aim was to align KPIs with the top level corporate risks and that would provide an overview for members.

Cllr Heatley commented that he had expected to see how things had gone with the new council and was a bit confused about what this particular document was for. His understanding was that the review was what we were doing now and felt that this should be reflected in the Annual Governance Statement. The Service Manager for Assurance advised that this was the case and that this report was very much a first draft for this committee and he was happy to incorporate members' comments. He had aimed to keep the document quite succinct and the accompanying Local Code of Governance went into more detail. Cllr Heatley noted that whilst risk management was the next item on the agenda he felt it also needed to be included with this document. He was aware that the Council did not yet have the management information needed to meet what was required in the Corporate Plan but felt that systems of control and management information needed to demonstrate progress in achieving the objectives of the Corporate Plan but felt that systems of control and management needed to be included in this Statement. He also felt there was very little recognition that this was a new Council. The Service Manager for Assurance offered to look at this area further and to include the experience that Dorset Council has had during the year.

Cllr Gray noted that the document talked about efficiencies and effectiveness but did not mention value for money. The Executive Director for Corporate Development advised that this document accompanied the annual accounts when they are completed later in the year. The financial documents would tell the story of how the organisation had evolved along with the value for money element. Cllr Gray was still concerned that value for money was not being recognised enough and felt it needed to be part of all documents in the future.

Cllr Christopher advised that in respect of value for money members needed to bear in mind that this would be commented on by the external auditors. He highlighted the importance of the Council dealing with their suppliers and that the review of credit balances on debtors ledgers were also important aspects for consideration. The Service Manager for Assurance advised members that he would liaise with the various theme leads and report back to members.

Cllr Cocking was supportive of Cllr Gray's comments regarding value for money. This was tax payers money that was being spent and she felt that value for money should be at the heart of all that we do.

Following a comment about the inclusion of the change to the structure of the overview and scrutiny committees the Service Manager for Assurance advised this was detailed in the Local Code of Governance.

### **Resolved**

That the Service Manager for Assurance reflect on and incorporate comments made by members in a revised Annual Governance Statement to be brought back to this Committee on 7 July 2020.

#### Reason for Decision

Approval and publication of an AGS by the Council is a statutory requirement and provides evidence that Dorset Council maintains high standards of governance and addresses significant shortcomings and risks.

## 72. **Risk Management update**

Members considered a report from the Corporate Director for Legal and Democratic which gave members' the opportunity to review and challenge the Council's risk register.

The Service Manager for Assurance explained that he had consulted with Heads of Service and Service Managers to see what they considered as the key risks. This work built on the risk appetite agreed by the Shadow Council. Each risk had an identified risk owner and a management update on the current position. There still appeared to be some gaps but officers would be following up on those.

The Vice Chairman appreciated the good work that was being done so far, but felt that the scoring system was too simplified. He felt it would be helpful to see what had happened since the last time members audited the register but recognised it was a balancing act. His view on linking risk to KPIs was that it could be quite cumbersome and it might be better to link them to the corporate objectives. The Service Manager advised that the scoring matrix had been intentionally kept simple to improve buy-in, but this would be reviewed over time. The Risk and Resilience Officer added that officers were currently working on the development of a 5 by 5 matrix. When the KPIs were agreed they would be looking to embed them to give a true reflection of risk and performance.

With reference to risk CRR003 Cllr Christopher was concerned that when a Head of Service left the Authority there was a need to ensure there was effective support for those who lead in specific council departments. He felt this was a particular risk and mentioned the difficulty of recruiting and retaining staff and suggested that should be given a greater focus rather than relying on agency staff. The Executive Director for Corporate Development commented on retaining the workforce and highlighted that staff were a key part of the organisation. Dorset Council's ambition was to be an Employer of Choice and wanted people to stay working with the Authority. He made reference to the recent convergence work and ultimate loss of some staff and that during this current crisis a secure job in local government could be more attractive. The Senior Leadership Team had learnt that office based staff didn't need to actually be in the office and therefore this could result in widening the search for staff and not have to relocate them. What the modern office looks like post Covid would be very interesting.

Following a question from a member about the period of time over which risks were assessed, the Service Manager for Assurance advised, it was ordinarily around a 3 year cycle but some would be longer term judgements for example Climate Change. The Chairman felt it would be helpful to add time parameters to the risks.

In respect of the new ways of working the Vice-Chairman considered if there would be an Opportunity Register along with a Risk Register as this could yield some good ideas. The Service Manager agreed this would be important and that the risk framework would pick up on opportunities once fully embedded.

With reference to the Council being an Employer of Choice, Cllr Christopher commented that he would like to see this completed within 4 years. In respect of virtual meetings he made reference that 30% of Dorset's population didn't engage in social media and considered whether we needed to engage better with our rural areas. He suggested perhaps having a rural services champion.

The Executive Director for Corporate Development advised members that the People Plan had been considered by the Cabinet which had set out the timescales. A staff survey had been carried out earlier in the year about how committed people felt towards the organisation. There was also a short pulse survey carried out recently to see how staff felt and the results from this would feed into the Plan. With regards to technology, the Council was pushing hard with BT for people to have faster broadband lines. The Executive Director was happy to pass the message on to the Leader about the possibility of a rural services champion.

It was felt that a reference to value for money should be included within the risk register and the Service Manager for Assurance undertook to focus discussions with the risk owners on value for money. It was suggested that the money saved from less meetings and less travel during this pandemic should be offered as a positive point. The Executive Director for Corporate Development assured members that officers did strive for value for money through different processes but accepted that this had not been conveyed enough through the documents presented today.

Cllr Gray commented that in the future he would welcome a discussion on the processes and procedures that hindered the Council in obtaining value for money. One member also noted that in future it would be important to question the external auditors in respect of benchmarking Dorset Council against other councils in respect of value for money.

Following a comment about dependence on a very few suppliers especially in respect of social care, the Executive Director for Corporate Development advised that part of the council's management of suppliers was understanding the resilience of the organisation and what contingency plans they had in place.

Following a suggestion from the Chairman to perhaps have service heads present to enable a more thorough discussion, the Service Manager for Assurance replied that in future if there were particular risks that members

wished to focus on arrangements could be made for the risk owner to give further input. Members needed reassurance they could speak to the risk manager in order to thoroughly investigate any matter further. The Risk and Resilience Officer advised members that he would be providing regular updates for members following meetings with the accountable officers on a monthly basis, he also planned to hold specific risk surgeries and there would also be pages on Sharepoint designed to give officers and members further information.

The Corporate Director for Legal and Democratic suggested that in light of members' comments around value for money and procedures that an item be added to the Committee's work programme. Members felt this would be helpful and would be important to focus perhaps on a particular area initially as the Council was such a large organisation. The Executive Director for Corporate Development undertook to discuss this further with colleagues and aim to produce something that complemented work that was already ongoing.

### **Resolved**

That an item on value for money be added to the Committee's Work Programme.

### **73. Urgent items**

The following items of business were considered by the Chairman as urgent pursuant to section 100B (4) b) of the Local Government Act 1972. The item was considered to be urgent because of the ongoing need to assess Code of Conduct complaints despite the limitations caused the current Covid-19 situation.

### **Delegation to the Monitoring Officer with regard to Code of Conduct Complaints**

The Monitoring Officer reminded members that member conduct and member behaviour was part of this committee's remit, not just Dorset Councillors but also town and parish councillors. There were 2 sub committees that supported this work. Assessment sub-committee meetings were held in a confidential session to decide whether complaints warranted investigation. Hearing sub-committees were held in public to decide to hear the outcomes of investigations and make decisions on complaints.

Over the past few months business has been building up and there was pressing concerns regarding one council. The Monitoring Officer requested a delegation to enable the Monitoring Officer to meet with a small panel of members to carry out the initial assessment of complaints. The delegation would be in consultation with three members of the Audit and Governance Committee.

Councillor Lacey-Clarke felt uncomfortable with complaints not going to a proper sub-committee as he was not really in support of anything that removed the final decision making from councillors. He asked if it would be possible for delegation to be given to the Chairman of the Audit and

Governance Committee instead. The Monitoring Officer advised that except in relation to executive business the law [prevented delegations being given to an individual member.

The Monitoring Officer also explained the practical implications for Democratic Services of running virtual meetings and the agreement of Group Leaders that virtual meeting would be limited to meetings of the Cabinet, Audit and Governance Committee, Overview and Scrutiny, Area Planning and Licensing.

In answer to a question from the Chairman, the Monitoring Officer confirmed that any delegation would only be in place for the time when the Authority was running virtual meetings.

Following a question from a member about the size of the backlog, the Monitoring Officer advised that it was not simply just about numbers but more that there was one particular local council in Dorset where there were pressing problems that needed to be resolved quite urgently.

**Proposed** Cllr Simon Christopher

**Seconded** Cllr Susan Cocking

**Resolved**

1. That delegated authority be given to the Monitoring Officer to assess code of conduct complaints and the delegation should only be exercised after consultation with any three members of the Audit and Governance Committee.
2. That the delegation should remain in place only whilst the Council is operating virtual meeting arrangements as part of the response to the Covid-19 pandemic.

**Duration of meeting:** 10.00 - 11.12 am

**Chairman**

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