

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON WEDNESDAY 22 JUNE 2022

Present: Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Barry Goringe, Bill Pipe, Belinda Bawden, Simon Christopher and Robin Legg

Apologies: Cllrs Rod Adkins and Bill Trite

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

Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Director of Legal and Democratic), Jim McManus (Corporate Director - Finance and Commercial), Marc Eyre (Service Manager for Assurance), Sally White (Assistant Director SWAP), Antony Bygrave (Senior Assurance Officer Complaints), Kate Critchel (Senior Democratic Services Officer) and David Northover (Democratic Services Officer)

Jacqui Andrews (Service Manager, Democratic and Electoral Services) attended by remote link.

Neil Wedge – Chief Executive of Dorset Association of Parish and Town Councils – attended the meeting and with the agreement of the Chairman spoke on the item concerning Learning from Code of Conduct and Localism Act Complaints.

63. Apologies

Apologies for absence were received from Cllrs Rod Adkins and Bill Trite.

The Chairman took the opportunity to welcome Cllrs Simon Christopher and Robin Legg to the Committee.

64. Minutes

The minutes of the meeting held on 11 April 2022 were confirmed.

With reference to a matter arising from Minute 53 – Risk Management Update – the Executive Director Corporate Development would bring a paper to a future Committee on value for money and information compliance and governance as part of an update.

65. Declarations of Interest

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

66. Public Participation

There were no statements or questions from Town and Parish Councils, nor public statements or questions at the meeting.

67. Report of Internal Audit Activity Progress Report 2022/23

The Internal Audit Plan Progress 2022/23 report by the South West Audit Partnership (SWAP) was considered by the Committee setting out what progress had been made as well as the Audit Opinion; Significant Risks; Audit Follow Up Work; SWAP Internal Audit Plan Coverage; what SWAP Performance Measures were; and Limited Opinion Audits and their findings also being detailed

Members were advised of what constituted added value: particularly with regard to benchmarking – to determine how the Council was doing compared with other similar authorities for which SWAP had responsibility.

The Internal Audit Rolling Plan – and specifically the coverage and assurance tabulation - reflected the outcomes of recent reviews completed. Based on these reviews, SWAP recognised that, generally, risks were well managed, although some gaps, weaknesses and areas of non-compliance had been identified. However, SWAP had reasonable, to high, levels of confidence that the agreed actions would be implemented and, as such, was able to offer a reasonable opinion.

Since the last progress report in January 2022, three Limited assurance opinions had been issued on the areas and activities being audited, but none had been classified as a significant risk.

SWAP continued to have effective follow up of agreed audit actions being undertaken directly within directorates themselves, with actions being updated by directorate key contacts. As previously reported, there was still focus on a small number of long overdue actions to ensure these were updated and signed off as soon as possible, with officers committed to achieving this. However, whilst 'less than significant' issues did still remain, the prioritising of those more significant issues was achieving results. For clarity, SWAP confirmed the arrangements for how their audit programme was devised, what it was designed to do and what they were committed to look at.

Officers confirmed that they continued to pursue the recovery of debt, but that was being done more sympathetically given the current financial circumstances. However, the Authority had a commitment to doing all it could to achieve this.

One member asked if there was reason to believe the level of debt was because of errors with overcharging – as had been identified in other authorities – but officers were confident that there was no reason to believe that was the case. Finance officers – whilst dealing with the recovery of debt as effectively as they could - also had recently taken on additional commitments in terms of the Council Tax rebate and other duties associated with the pandemic. An assurance was provided that as the Council was returning to more familiar methods and processes to ensure the best outcomes were achieved. Levels of debt, and its recovery, were anticipated to return to levels seen prior to the pandemic.

Members were pleased to see that considerable progress had been made to address outstanding issues identified and hoped that this could be maintained so as to ensure those issues of consequence were all dealt with effectively. They recognised that there would be certain issues that were more of a challenge than others to address but had confidence in officers that this would be achieved over time. Never the less, they asked that they be provided with regular updates on debt recovery, what risks needed to be addressed and the progress being made.

Noted

68. Honorary Aldermen/Alderwomen of the Dorset Council Area

The Committee considered a report on proposals to enable the Council to confer the title of Honorary Alderman/Alderwoman in recognition of previous service by elected members, with the mechanism to be able to do this – and the criteria to be met - set out in detail, namely:-

- former members of Dorset Council who had given a period of public service for a minimum of 16 years,
- had served on either Dorset Council, or its predecessors - Dorset County Council or one of the six former District Councils now comprising the Dorset Council area, and
- were considered to have made an outstanding contribution to the area in their role as elected member.

The process for bestowing to honour was detailed and explained by the Service Manager for Democratic and Electoral Services in that it was proposed to establish a panel of members who would consider nominations and make recommendations to a specially convened meeting of Full Council – to precede a scheduled meeting of Council. The Panel's composition was explained and what proportion of the Full Council would be required to endorse that nomination.

Any person who was bestowed the title would receive a badge and a certificate in recognition of the honour, funded through the Chairman's Fund.

The Committee discussed the arrangements and criteria as being proposed and, whilst they were pleased to see such recognition being proposed, asked how the 16 years' service had been arrived at. Officers confirmed that this was seen to be an optimum length of service which would reflect a member's

commitment to public service and provide the opportunity for outstanding achievements to be recognised and evaluated.

Some members considered the 16 year qualifying period too long, and a member serving for less time could still make an outstanding contribution. They asked that a shorter period be considered.

The Director – Legal and Democratic recognised this and suggested that the criterion could be amended to include the word “ordinarily”, so that there was scope for any nominations that fell into that category having the opportunity to be considered too.

Discussion took place as to how “outstanding contribution” would be assessed and officers explained the role of the Nomination Panel.

One member asked what opportunity there would be for town and parish councillors to become Honorary Alderman/Alderwoman. Officers confirmed that by law, Dorset Council could only bestow this distinction on members who had served on Dorset Council or its predecessor councils.

With the suggested amended wording by the Director – Legal and Democratic and, it being proposed by Cllr Bill Pipe and seconded by Cllr Robin Legg, it was

Resolved

1) That Full Council be asked to agree to amend the Constitution to include the criteria and process for awarding the title of Honorary Alderman/Alderwoman to former members of Dorset Council.

2) the wording of the second bullet point in paragraph 3.2 of the report as to the criteria to be met for any nominations for Honorary Aldermen/Alderwomen be amended to read “The nominee shall **ordinarily** have served a minimum of 16 years.....”

Reason for Decisions

Inclusion of the process and criteria for conferring an honorary title on a former member within the Constitution will make the process more open and transparent.

69. LGA Finance Peer Challenge Update

The Committee received and reviewed the letter from the LGA finance peer challenge team that revisited Dorset Council to consider the work done to implement the action plan following the original finance peer challenge visit.

Given Dorset Council was committed to continuous learning and improvement, the peer review was an important and valued component in achieving that, with the report endorsing the progress made in establishing the Council and making a series of recommendations to further develop the council’s financial arrangements. The progress made and an action plan were contained in the letter.

The Committee were pleased to see what progress had been made and had confidence in that what remained to be done would be as soon as practicable.

Resolved

That the letter from the LGA finance peer challenge team be received, welcomed and its findings endorsed.

Reason for Decision

To ensure that the council has acted upon the peer team's recommendations.

70. Learning from Code of Conduct and Localism Act Complaints

The Committee were being asked to consider the level of resources that Dorset Police and Dorset Council were expending on responding to code of conduct and complaints and allegations of offences committed under the Localism Act 2011 by town and parish councillors. Officers explained the process involved in responding to code of conduct and complaints and allegations and what this entailed.

Whilst it was recognised that most town and parish councils were well-run, and operated effectively, with councillors and employees exemplifying the seven principles of public life.

From the report it was apparent that Shaftesbury had a significantly greater proportion of recorded complaints than any other parish or town council and Members asked the reasoning for this and how this was being addressed.

Officers confirmed that there had been particular longstanding issues with allegations about the conduct of certain Town Councillors, but this was being addressed with the support of the DAPTC.

However, given the disproportionate resources necessary to assess those allegations, the Director considered a different approach was needed. The Chairman considered that the LGA might have a view on how best to assist in addressing this issue so as to benefit the Town Council, its reputation and the residents of the town. In any event he asked that he, the Director, Dorset association of Parish and Town Councils (DAPTC) and relevant officers meet to address this particular issue so a satisfactory resolution could be found.

Members were concerned that available sanctions were insubstantial to meaningfully deter poor behaviour and should be strengthened. The Director explained that the Localism Act limited the sanctions that could be imposed.

Officers confirmed that more emphasis was being placed on the use of social media by councillors and training was available to them on this; designed to raise their self-awareness.

The opportunity was given to the Chief Executive of DAPTC, Neil Wedge, to provide his view on how the Code of Conduct could be best applied. He acknowledged that the majority of parish and town Councils were self-compliant with little cause for concern, but a training programme was available to all new Councillors so that they were readily aware of what expectations were. This programme would be made available to the Committee. It was his intention to raise the profile of the suite of training and advice available to councils, designed to prevent such issues arising.

He hoped too that the interventions mentioned would better manage the issues being experienced in Shaftesbury and looked forward to a close working relationship with Council officers to address any issues that arose.

The Committee hoped that the behaviour of members could be addressed by early and preventative interventions as described as it was in the interest of all that the reputation of those public bodies were maintained and confidence in what they did and how they did it was preserved.

Resolved

That the number and origin of Councillor Code of Conduct complaints and allegations, the resulting resource impacts and additional costs incurred through investigation – having been scrutinised – be noted and what was being done to resolve this, endorsed.

Reason for Decision

To have an awareness of the numbers and origins of Councillor Code of Conduct complaints and the limited scope for organisational learning, and to challenge whether the Code of Conduct policy is genuinely being used in the public interest.

71. Fraud and Whistleblowing

The Committee received its annual report on fraud and whistleblowing, which provided an update on the Councils approach, including a summary of cases reported in the preceding twelve months. The opportunity had been taken to review the supporting policy framework, with a number of minor amendments have been made to reflect changes to legislation and lessons learnt from incidents.

The Committee appreciated what was being done to, educate, discourage - and eliminate - fraud and support whistleblowing as necessary and considered the revised policies would go a long way to achieving this.

In being proposed by Cllr Bill Pipe and seconded by Cllr Susan Cocking it was

Resolved

- 1) That the annual update on fraud and whistleblowing activity be noted;
- 2) That the following updated policies be approved:
 - Whistleblowing Policy and Procedures;
 - Anti-Fraud, Corruption and Bribery Strategy;

- Anti-Money Laundering Policy

Reason for Decisions

To support the Council's zero tolerance to fraud and support those cases where whistleblowing was justified.

72. Data Protection and Other Mandatory Training

The Committee received an oral update from the Service Manager for Assurance on Data Protection and other Mandatory Training, how this was being monitored and what completion rate there was.

All necessary training for employees and Councillors alike was encouraged, with emphasis being placed on the importance of mandatory training. However, some 30% of those obliged to complete mandatory training courses and exercises had yet to do so. Whilst it was acknowledged that it was the for the individual to meet this obligation, line managers had a responsibility to ensure this was done.

Where Councillors had been identified as needing to complete this too, it would be for Group Leaders to encourage this to be done.

The committee understood the importance of ensuring data protection and other mandatory training was fully completed to ensure the Council was not unduly exposed to risks. An update on progress would be made at the next meeting.

Noted

73. Forward Plan

The Forward Plan was considered and noted.

74. Urgent items

There were no urgent items for consideration.

75. Exempt Business

There was no exempt business to consider.

Duration of meeting: 10.00 am - 12.30 pm

Chairman

.....