



## Audit and Governance Committee

**Date:** Wednesday, 22 June 2022  
**Time:** 10.00 am  
**Venue:** Council Chamber, County Hall, Dorchester, DT1 1XJ

**Members (Quorum 3)**

Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Barry Goringe, Bill Pipe, Bill Trite, Belinda Bawden, Simon Christopher and Robin Legg

**Chief Executive:** Matt Prosser, County Hall, Dorchester, Dorset DT1 1XJ

For more information about this agenda please contact Democratic Services Meeting Contact 01305 252216 - [susan.dallison@dorsetcouncil.gov.uk](mailto:susan.dallison@dorsetcouncil.gov.uk)

Members of the public are welcome to attend this meeting, apart from any items listed in the exempt part of this agenda.

For easy access to all the council's committee agendas and minutes download the free public app called Modern.Gov for use on any iPad, Android, and Windows tablet. Once downloaded select Dorset Council.

### Agenda

Item		Pages
1.	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
2.	<b>MINUTES</b>	5 - 12
	To confirm the minutes of the meeting held on 11 <sup>th</sup> April 2022	
3.	<b>DECLARATIONS OF INTEREST</b>	
	To disclose any pecuniary, other registrable or non-registrable interest as set out in the adopted Code of Conduct. In making their decision councillors are asked to state the agenda item, the nature of the interest and any action they propose to take as part of their declaration.	
	If required, further advice should be sought from the Monitoring Officer in advance of the meeting.	

#### **4. PUBLIC PARTICIPATION**

To receive questions or statements on the business of the committee from town and parish councils and members of the public.

When submitting a question please indicate who the question is for and include your name, address and contact details. Questions and statements received in line with the council's rules for public participation will be published as a supplement to the agenda.

**The deadline for submission of the full text of a question or statement is 8.30am on Friday 17<sup>th</sup> June 2022.**

#### **5. REPORT OF INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2022/23** 13 - 22

To receive a report by Sally White Assistant Director SWAP

#### **6. HONORARY ALDERMEN/ALDERWOMEN OF THE DORSET COUNCIL AREA** 23 - 26

To receive a report by Jacqui Andrews Service Manager, Democratic & Electoral Services.

#### **7. LGA FINANCE PEER CHALLENGE UPDATE** 27 - 34

To receive a report by Aidan Dunn Executive Director (Corporate Development) and Jim Mcmanus Corporate Director (Finance and Commercial)

#### **8. LEARNING FROM CODE OF CONDUCT AND LOCALISM ACT COMPLAINTS** 35 - 40

To review and consult a report by Antony Bygrave the Senior Assurance Officer Complaints

#### **9. FRAUD AND WHISTLEBLOWING** 41 - 80

To receive a report by Marc Eyre Service Manager for Assurance.

#### **10. DATA PROTECTION AND OTHER MANDATORY TRAINING**

To receive an update from Marc Eyre, Service Manager for Assurance on Data Protection and other Mandatory Training.

#### **11. FORWARD PLAN** 81 - 84

To consider the work programme for the Committee.

**12. URGENT ITEMS**

To consider any items of business which the Chairman has had prior notification and considers to be urgent pursuant to section 100B (4) b) of the Local Government Act 1972. The reason for the urgency shall be recorded in the minutes.

**13. EXEMPT BUSINESS**

To move the exclusion of the press and the public for the following item in view of the likely disclosure of exempt information within the meaning of paragraph 3 of schedule 12 A to the Local Government Act 1972 (as amended).

The public and the press will be asked to leave the meeting whilst the item of business is considered.

**There is no exempt business**

This page is intentionally left blank



## AUDIT AND GOVERNANCE COMMITTEE

### MINUTES OF MEETING HELD ON MONDAY 11 APRIL 2022

**Present:** Cllrs Matthew Hall (Chairman), Richard Biggs (Vice-Chairman), Susan Cocking, Rod Adkins, Barry Goringe, Mike Parkes and Bill Trite

**Apologies:** Cllrs Janet Dover and Bill Pipe

**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), David Trotter (Risk and Resilience Officer), Neil Gorman (Service Manager (Finance) Corp Policy & Comp), Heather Lappin (Head of Strategic Finance), Dawn Adams (Service Manager for Commercial and Procurement), Paul Ackrill (Service Manager (Finance)), Lee House (Service Manager for Finance), Sian White (Service Manager, Finance) and Elaine Tibble (Senior Democratic Services Officer)

**48. Minutes**

Proposed by Cllr Parkes, seconded by Cllr Adkins.

**Decision:** The minutes of the meetings held on 19th April, 21st June, 9th July, 27th September, 15th November 2021 and 17th January 2022 were agreed and signed as a correct record.

**49. Declarations of Interest**

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

**50. Public Participation**

There were no statements or questions from the Public or Town and Parish Councils at the meeting.

**51. Internal Audit Annual Opinion Report 2021-22**

The Assistant Director, SWAP presented the Internal Audit Annual Opinion Report for 2021-22. The paper was presented annually and provided an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.

The Key items in the report were highlighted. A reasonable opinion had been offered but some areas of coverage had been limited due to covid grant work and limited staff re-deployment. No significant corporate risks in the year had been identified.

Financial savings had been made and the Executive Director, Corporate Development was supportive of the report and confident that audit actions were moving in the right direction.

In response to member questions the Executive Director, Corporate Development explained the implications of the future contributions for adult care service users. He felt this was a topic that could cost all councils a lot of money.

It was considered that the forthcoming adult care changes were a matter for People and Health Scrutiny to look into and an action for the Executive Director, Corporate Development to take forward.

It was not known at this stage how much impact the new reforms would cause.

Assistant Director, SWAP undertook to look at items 45124 and 25129 in the audit tracker which didn't appear to have completion dates.

Members noted the report.

## 52. **Approach to Internal Audit Planning 2022/2023 and Internal Audit Charter**

The Assistant Director, SWAP presented the Approach to Internal Audit Planning 2022/23 and the Internal Audit Charter

Members were advised that change and unpredictability was here to stay, therefore it was proposed to continue with the rolling planning approach. The rolling plan spreadsheet was accessible to senior managers and members of audit committee which gave members the opportunity to review and be confident appropriate risks were being covered.

The Chairman requested that it would be helpful if the committee were informed of the outcomes for some of the items that were passed to the Senior Leadership Team.

Members noted the report.

## 53. **Risk Management Update**

The committee received a Risk Management Update report from the Service Manager for Assurance.

In additional to the regular quarterly update of risk report there were additional appendices for information compliance and emergency planning.

The information compliance appendix indicated a low level of completion of mandatory training, the key reason was because the learning portal was a year old and the first year's completions had expired and figures were re-set for the second year.

The emergency planning appendix gave a basic overview, however the next report would include a debrief from the recent storm Eunice.

In response to member questions the Service Manager for Assurance advised that the Council and Local Resilience Forum partners maintained a range of plans in response to risks associated with the situation in Ukraine.

In response to a comment that Risk 378 – “Failure to inspire a future generation of political leaders” was not within the gift of the council the Service Manager for Assurance agreed to take the comment back to the Senior Leadership Team.

More assurance was requested that the mandatory training was being addressed and the Service Manager for Assurance was asked to provide an update on progress at the next meeting.

It was also suggested by members that councillors should also be held accountable for the completion of information compliance training. The Service Manager for Assurance would liaise with the Member Development & Support Officer and bring back figures.

The Chairman raised points on the following risks with a A&G link: 345 346 212 388 393 316 286 and 348 – he asked the Executive Director Corporate Development to consider whether these should be considered for inclusion on the forward plan.

The Chairman also felt that there were some areas not deemed to be emergency planning incidents but that require debriefing, such as the A30 closure in Sherborne following the collapse of a wall. He considered that this had caused reputational damage to the council and asked for this to be subject to review so that lessons could be learnt for future.

The Chairman commended work done by the Service Manager for Assurance and the Risk & Resilience Officer but was concerned on the dependence on just two people in this area if either were off long-term sick. He asked the Director of Legal & Democratic to consider how resilience in the service can be improved.

**Decision:** the committee noted and reviewed:

- i) the key risks identified in the corporate and service risk registers, with escalation to Scrutiny Committees where appropriate,
- ii) the key metrics and headlines from emergency planning and
- iii) the key metrics and headlines from information compliance

#### 54. **Annual Governance Statement**

The Annual Governance Statement was presented by the Service Manager for Assurance. The statement is a statutory document that accompanies the annual accounts and looks back on the previous 12 months. The purpose of the Annual Governance Statement was to provide assurance that the governance arrangements were fit for purpose and identified any areas for improvement.

There were a few actions identified for improvement which included:  
Mandatory Training.  
Assurance mapping.  
Improvement of compliance rates for subject access requests.  
Improved use of impact assessments.  
Dorset Council wide asset management register.

There were no questions from the committee, the Chairman complimented the Service Manager for Assurance on a good report but asked if it could be less wordy.

The report was noted.

#### 55. **Financial Management Report Quarter 3**

The Executive Director, Corporate Development introduced the Quarter 3 Financial Management Report which had been considered by Cabinet on 18 January 2022 and made comment on the current cost of living issue and consequent impact on residents and council services.

The Corporate Director, Finance & Commercial advised that the forecast overspend had reduced through year and there had been improvements against budgets across many of the service areas. The accounts were in the process of being finalised for 2021/22 and predictions were that the outturn would be very close to the budget set.

The Corporate Director, Finance & Commercial gave a Summary of the report before inviting Finance Business Partners to give updates on the impact of inflation affecting pay, fees and energy costs, procurement services, types of procurement contracts and the impacts of the forthcoming Adult Services care fee cap.

The Corporate Director, Finance & Commercial confirmed the next steps to Close the 2021/22 accounts and present the outturn position to Cabinet in June.

In response to member questions, members were advised that some suppliers had found it difficult to price goods and services in the current economic climate, there was some risk that there may not be such an open market.

The need for good contract managers who would seek assurance of where costs had been occurred was raised and whether more in-house provision should be investigated for children's residential homes which could provide more value for money in the future.

In response the Executive Director, Corporate Development reminded members that inflationary risk had been highlighted during the budget setting process. In addition to an inflation uplift there had also been additional uplifts in some specific areas. £8.7m had been set aside as a contingency budget and general fund reserves of approx. £33m.

The profile on contract management had been raised across the organisation but there was a fine balance to reach, including talking to suppliers to see if there was a way for the council to help them reduce their costs to avoid them passing those costs on to us. Balance between being a firm contract manager but having an open relationship with suppliers. Many skilled people in various sectors of the council had set up an internal network to learn from each other.

Members were concerned over inflationary pressures faced by the council and felt it would be helpful to understand the inflationary cost pressures for the separate directorates as they would vary. Inflation was changing weekly and the committee were keen to know what the various inflationary pressures were on a more regular basis.

The Executive Director, Corporate Development confirmed that the intention was to look at reporting mechanisms, with more information on the sensitive areas reported.

The report was noted.

#### **56. Future of the Revenues & Benefits Service**

The Corporate Director, Finance & Commercial referred to his power point presentation which had been included in the agenda pack and gave a verbal explanation of the previous revenues & benefits partnership arrangements and update on transformation progress.

In response to a member question the committee were assured that the IT transition to a single customer revenues & benefits portal had taken place a few months ago and therefore it was hoped any initial IT issues were over.

#### **57. Meeting Arrangements and the Health and Wellbeing Board**

The Director of Legal & Democratic welcomed the return to in person meetings, but there were settings and circumstances where it was considered more appropriate and efficient to meet online. The Health and Wellbeing Board (HWB) was an example of that. The HWB was not like any other

council committee, having a membership of 18, only 3 of whom were elected members of the council. The remainder were council officers and representatives of NHS bodies and other bodies. The diversity of membership made it difficult for all members of the board to attend meetings in person.

The Chairman of the HWB, Cllr Knox, had requested that the board continued to meet informally online and that Sam Crowe, Director of Public Health be given delegated powers to make decisions on behalf of the HWB.

Additionally, the report recommended a wider change to the Constitution, that in exceptional circumstances the Chief Executive, after consulting with the relevant committee chair, may convene informal online meetings of the Full Council, the Cabinet, a Committee or Sub-Committee.

Members were generally supportive of the proposal but requested more clarity on what constituted exceptional circumstances and urged caution over the ability to meet virtually and suggested putting a time limit on the recommendations.

The Director of Legal & Democratic suggested that a paper could be brought to the Audit & Governance committee after a year, in order to review the working arrangements.

Proposed by Cllr Cocking, seconded by Cllr Atkins.

**Decision:** Recommendation to Full Council:

1. That the Health and Wellbeing Board should meet informally online as its usual way of doing business.
2. That as a matter of course and for the duration of their appointment the co-opted members of the Health and Wellbeing Board should be given a dispensation from attending meetings in person.
3. That delegated authority be given to the Director of Public Health, after consultation with the Health and Wellbeing Board at informal online meetings, to make all decisions within the terms of reference of the Board.

Proposed by Cllr Cocking, seconded by Cllr Biggs.

**Decision:** Recommendation to Full Council:

4. the Chief Executive be given delegated authority:
  - (a) In exceptional circumstances and after consultation with the relevant chair, to convene informal online meetings of the Full Council, the Cabinet or any committee or sub-committee.
  - (b) After consulting members at informal online meetings to make any decision (save those that cannot by law be exercised by an officer) taking into account the views expressed by Members about the decision that they would have been minded to make had it been possible to hold a formal decision making meeting in person.

5. That all 4 recommendations be subject to review after 1 year.

**58. Constitution Update**

The Director of Legal & Democratic gave a verbal update on recent changes to the constitution that he had made under delegated powers. Colleagues in Adults & Housing had made some consequential changes to the Housing Allocation Policy because of the Ukrainian Family scheme and Homes for Ukraine scheme. The need to satisfy residency conditions had been removed to comply with legal national changes by Government.

The committee noted the update.

**59. Minutes of the Audit & Governance Sub-committee**

The minutes of the Audit & Governance Sub-committee were noted.

**60. Forward Plan**

The Service Manager for Assurance and the Executive Director, Corporate Development would liaise with the Democratic Services Team Leader to programme the items discussed at the meeting.

**61. Urgent items**

There was no urgent business.

**62. Exempt Business**

There was no exempt business.

**Duration of meeting:** 10.00 - 11.50 am

**Chairman**

.....

This page is intentionally left blank

# Dorset Council

## Report of Internal Audit Activity

### Progress Report 2022/23 – May 2022

Page 13

Agenda Item 5

## Executive Summary

As part of our update reports, we will provide an ongoing opinion to support our end of year annual opinion.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating previously identified significant risks.

The contacts at SWAP in connection with this report are:

**Sally White** Assistant Director  
Tel: 07820312469  
[sally.white@swapaudit.co.uk](mailto:sally.white@swapaudit.co.uk)

**Angie Hooper** Principal Auditor  
Tel: 07536453271  
[angela.hooper@swapaudit.co.uk](mailto:angela.hooper@swapaudit.co.uk)

SWAP is an internal audit partnership covering 25 organisations. Dorset Council is a part-owner of SWAP, and we provide the internal audit service to the Council.

For further details see:  
<https://www.swapaudit.co.uk/>



### Audit Opinion, Significant Risks, and Audit Follow Up Work

#### **Audit Opinion:**

This is our first Internal Audit update for 2022/23 financial year.

Our live [Internal Audit Rolling Plan](#) and specifically the coverage and assurance tab (*which can be found on the first tab of the Rolling Plan or on page 2 below*), reflects the outcomes of recent reviews completed. Based on these recent reviews, we recognise that generally risks are well managed. We have identified some gaps, weaknesses and areas of non-compliance; however we have reasonable to high levels of confidence that the agreed actions will be implemented and as such are able to offer a **reasonable opinion**.

Since our last progress report in January 2022, we have issued **three Limited** assurance opinions on the areas and activities we have been auditing but none have been classified as a significant risk. In Appendix A on pages 6-8, we have provided the one-page audit report for the Limited assurance opinion work, to offer the committee further insight.

#### **Follow Up of Agreed Audit Actions**

We continue to have effective follow up of agreed audit actions being undertaken directly within directorates themselves. Actions are updated by directorate key contacts. As previously reported, we are still focussing on a small number of long overdue actions to ensure these are updated and signed off as soon as possible.

When we reported to you in January, there were 33 Priority 1 and 2 overdue actions as at 01/12/2021, we now have 34 as at 18/05/22. 15 actions have been completed since December and another 16 actions have become overdue during that five-month period. However, there are a number of actions that have been overdue for a period of 12 months or longer (*a graph of long overdue actions can be found on page 3 below*). We are working proactively with our directorate links to ensure that where possible actions are implemented in a timely manner and *before* they become overdue. However, there is a need to urgently address a number of these long overdue actions that do not currently have a revised implementation date. The follow up **Action Tracker** is stored in the same location as our Rolling Plan and can be viewed by clicking on [this link](#).

# Internal Audit Plan Progress 2022/23

Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation’s risk profile effectively.

For those areas where no audit coverage is planned, assurance should be sought from other sources to provide a holistic picture of assurance against key risks.



## SWAP Internal Audit Plan Coverage

The table below, captures our audit coverage, mapped against the Authority’s newly revised corporate risk themes. Furthermore, we have then overlaid the audit assurance outcomes of those risk areas that we have reviewed. Previously there were 21 Corporate risks which have been reduced to 10 risk themes. As you will see we have provided some level of recent audit work across almost all the areas of corporate risk themes. It is possible on our [Internal Audit Rolling Plan](#) document to also view coverage of our recent audit work mapped by Core Areas of Recommended Assurance, SWAP Top 10 Risk Theme, and Corporate Plan Objective (please ensure that you download the document in the ‘desktop app’ which will open the document in Excel).

Risk Theme	Coverage	Assurance assessment based on completed internal audit work
CR01 - Finance	Good	Reasonable
CR02 - Compliance	Adequate	Reasonable
CR03 - Health, Safety & Wellbeing	Some	Non-Assurance audit work
CR04 - Communities	Good	Reasonable
CR05 - Digital & Technology	Adequate	Substantial
CR06 - Safeguarding	Good	Limited
CR07 - Transformation	Some	Non-Assurance audit work
CR08 - Workforce	Some	Reasonable
CR09 - Political & Leadership	None	
CR10 - Service Delivery	Good	Reasonable

Coverage Key	
Good	Good audit coverage completed
Adequate	Adequate audit coverage completed
Some	Some aspects of audit coverage completed
In progress	Some aspects of audit coverage in progress
None	No audit coverage to date

*\*Audits carried out more than 2 years from current date are not included.  
\*Audits carried out between 12 and 24 months from current date have a reduced impact on audit coverage.*

Assurance Key	
Substantial	Sound system of governance, risk management and controls exist
Reasonable	Generally sound system of governance, risk management and control in place
Limited	Significant gaps, weaknesses or non-compliance were identified
No Assurance	Fundamental gaps, weaknesses or non-compliance identified

*\*Audits carried out more than 12 months from current date are not included.*

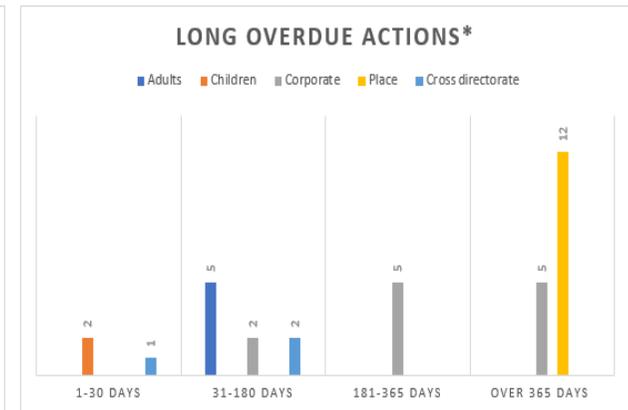
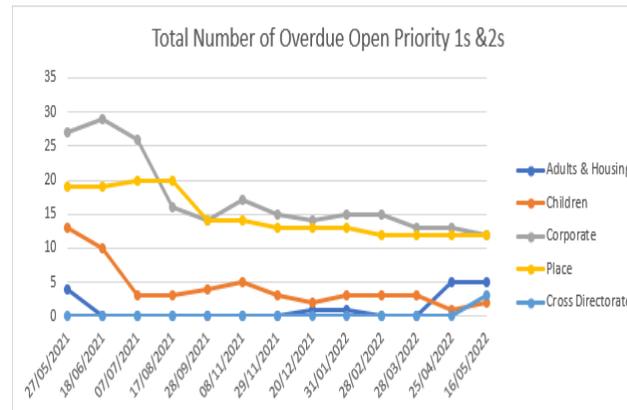
# Internal Audit Plan Progress 2022/23

We review our performance to ensure that our work meets our clients' expectations and that we are delivering value to the organisation.

## SWAP Performance Measures

Performance Measure	Performance
<p><b>Overall Client Satisfaction</b>  <i>(Did our work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i></p>	<b>100%</b>
<p><b>Value to the Organisation</b>  <i>(Client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i></p>	<b>100%</b>

## Outcomes from Follow Up Audit Work



\*Long overdue actions could have revised implementation dates, however our metric is measured from the original agreed date.

## Added Value

**‘Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.’**



## Added Value

### **Cifas**

We are making excellent progress in supporting the Council to roll out the use of the Cifas database. The aim of this work is to prevent fraud by sharing data, intelligence and learning. By preventing fraud, the Council can save time and money in fraud investigation work and attempting to recover fraudulent expenditure. The following details the areas of the council that are already successfully using the Cifas database or are progressing plans to do so:

- Insurance Liability Claims
- Agency Staff
- Adults Shared Lives Carers
- New Dorset Council Employees
- Users of Dorset Council Adult Services
- New and Potential Contractors

### **Benchmarking**

During the quarter we have undertaken one formal piece of benchmarking work. This was a comparison of strategy and approach to council reserves across participating Local Councils. SWAP provided a key takeaways document for Dorset Council. We have also undertaken three informal comparisons of practice, the first was around children’s residential accommodation, the second on accounting balance sheet review and the final on detecting fraud in Council Tax, Business Rates and Housing Benefits. Whilst there were insufficient responses from other local authorities to compile formal reports in these instances, we provided the feedback on the responses that we were able to obtain, which the services found helpful.

### **Newsletters and updates**

SWAP regularly produces a newsletter and other relevant updates for partners such as fraud bulletins, which provide information on topical issues of interest.

### **Data Integration Apprentice**

SWAP has appointed a Data Integration Apprentice, working within the Dorset team. The aim of the role is to gain a better understanding of and access to Dorset Council data, thus enabling auditors to use more data analytics as part of our work. Improvements in our ability to analyse the council’s data as part of our work enables us to provide a wider assurance, opportunities for better risk management and improved audit quality.

The role of SWAP as the internal auditors for Dorset Council is to provide independent assurance that the Council’s risk management, governance and internal control processes are operating effectively. In order for senior management and members to be able to appreciate the implications of the assurance provided within an audit report, SWAP provide an assurance opinion. The four recently revised opinion ratings are defined as follows:

Assurance Definitions	
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Page 18

In addition to the assurance definitions above we also provide an ‘assurance dial’ which indicates on a range of high medium or low where within the range of that assurance a particular audit assurance sits.



As can be seen in this example the assurance provided is low limited as the dial is sitting on the lower end of the limited scale. It could equally have been a medium limited assurance where the dial sits midway or high limited when it is sitting at the upper end close to the reasonable assurance.

The Committee is able to view a record of all internal audit work on the [Rolling Plan](#). Please follow this link, click on the files tab and then on the file called **Internal Audit Rolling Plan**. From the document, members are able to view work in progress and all completed work that would have previously been reported to the Committee in a table form. To provide the Committee with additional insight into Limited assurance audits we have been providing a summary of the outcomes. We have however, recently introduced a one-page audit report, which we are now providing in full for Limited assurance audits for members information.

**Service User Financial Contributions – Final Report – January 2022**



**Audit Objective**

To provide assurance that root causes for service user financial contribution debt is identified and recorded effectively and that debt is monitored, reported, and managed efficiently to try to reduce and prevent the accumulation of large debt totals.

Assurance Opinion	Number of Actions	
	Priority	Number
<p>Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.</p>	Priority 1	0
	Priority 2	4
	Priority 3	1
	Total	5

Risks Reviewed	Assessment
The root causes of the reasons for service users' inability or unwillingness to pay their social care contributions are not being identified by the Council which leads to ineffective debt management activities resulting in financial loss to the Council.	Medium

Key Findings	
	At the beginning of December 2021, the total residential and non-residential service user debt over 90 days is £5.497M. The Credit Control team are responsible for recovering this debt but unlike other debt accrued by the Council, adult social care debt is complex, and factors such as Financial Assessments and whether a person has capacity (the ability to understand and use information to make a decision) need to be considered in the recovery process. Analysing the debt to identify patterns and trends should assist with identifying root causes of non-payment, informing the approach to be taken within the Council's overarching debt recovery process.
	Whilst the responsibility for recovering debt sits with the Credit Control team, input is often required from other officers and teams, such as locality social care teams, during this process which can mean that responsibilities become blurred. Mapping the whole process, and the teams involved, will enable the roles and responsibilities of those involved to be clarified and defined where necessary.
	Due to the complex nature of service user debt, there are a range of factors that need to be considered before the debt can be pursued through legal channels. The ASC Debt Management Task & Finish Group have been working on a checklist which encompasses the statutory requirements that need to be considered and this should be agreed and finalised. In addition, the cases that are awaiting possible legal action should be reviewed alongside the checklist and pursued through legal channels if possible, or if deemed unrecoverable, they should be written off.
	The problems around service user debt have been acknowledged and the ASC Task & Finish Group has been established to begin to address these issues. Actions have been agreed to move this work forwards.

Audit Scope
<p>The audit included:</p> <ul style="list-style-type: none"> <li>A review of the debt recovery processes in place, including whether cases are being referred to legal services for pursuing and for write-off.</li> <li>Whether the root causes for the reason for non-payment have been identified.</li> <li>A review of the information provided to service users regarding the importance of making contributions and the consequences of non-payment.</li> <li>A review of the work undertaken by the ASC Debt Management Task and Finish Group.</li> <li>Data analysis of service user debt.</li> <li>This audit is part of a larger piece of work being undertaken across the Council as a whole however, the unique nature of Adults' service user debt required a separate review.</li> </ul>

**Additional Relevant Information**  
Five actions have been agreed with management with a detailed action plan attached. All actions are due to be implemented by end of March 2022.

Page 19



**Debt Recovery Post Covid-19 – Final Report – April 2022**



**Audit Objective**

To provide assurance that procedures are in place to ensure that debt is recorded, reported, managed, collected and, if required, written off effectively and in a timely manner for services across Dorset Council.

**Assurance Opinion**



Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

**Number of Actions**

Priority	Number
Priority 1	1
Priority 2	9
Priority 3	4
<b>Total</b>	<b>14</b>

**Risks Reviewed**

Lack of effective debt management activities and reporting leads to ineffective collection of debt resulting in financial loss to the Council.

Whilst a number of issues have been identified through our audit work it is reassuring that there was an awareness of the problem within Finance who asked us to undertake this review. Additionally, our findings have been positively received and work is already underway to implement agreed actions. Whilst the level of unrecovered debt would normally indicate a High risk assessment the positive response has mitigated the risk to Medium.

**Assessment**

Medium

**Key Findings**

 This audit has found that processes for the recovery of Trade Debts are not being consistently followed and actions to remedy this have been raised within this report. Observations by audit also suggests some disjointed working practices between the services who have raised the original invoice, credit control and legal services which results in poor debt recovery successes. An interim report was issued in February to allow the service to start implementing actions.

 During the pandemic, a 'light touch' approach to debt recovery and the 'Breathing Space' regulation will have resulted in a greater accumulation of all debt arrears. As a result of the central government requirements for the council to administer the Covid business grants, since March 2020, Local Taxation recovery staff have only been able to undertake limited debt recovery work. Additionally, as a result of LGR, there has been two essential system merges which have impacted on staff capacity. The administration of Revenues and Benefits for East and North Dorset (previously administered by Stour Valley and Poole Partnership) is being brought back in house and plans to increase staffing capacity through filling vacancies and upscaling to manage the additional workload have been proposed and approved. These plans include capacity to manage the backlog of arrears.

 For information the position of Council debts, as at 31<sup>st</sup> December 2021 is as follows; -

Age of Debt	Trade Debt	Age of Debt	NNDR	Council Tax	Housing Benefit
90 days to 365 days	£2.87m	1.4.21 to 31.12.21	current year	current year	£328K
>365 to 31.3.20	£1.95m	1.4.20 To 31.3.21	£2.1m	£7.8m	£290k
Pre Covid before 1.4.20	£3.20m	Pre Covid before 1.4.20	£3.7m	£12.8m	£3.17m
<b>Total</b>	<b>£8.02m</b>	<b>Total</b>	<b>£5.8m</b>	<b>£20.6m</b>	<b>£3.8m</b>

**Audit Scope and Exclusions**

We have worked with staff within all directorates to ascertain how debt is recorded, reported, managed, collected and, if required, written off. A separate audit within Adult Services ensuring collection of service users contributions has been undertaken, and therefore this area has been excluded from the scope of this audit. However, the findings within the final report are relevant. The total of £8.02M Trade Debt includes this debt.

We have not carried out sample testing for Local Taxation Arrears as only limited recovery work has taken place. This is an area that will be covered under continuous audit from Q2 of 2022/23.

SWAP undertook some benchmarking for the delivery of debt recovery within other Councils and this has been shared with the service.

**Next Steps**

Procedures to ensure that debt is recorded, reported, managed, collected and, if required, written off effectively will be assessed by Audit through the Continuous Auditing of both Accounts Receivable and Revenues & Benefits.

**Residential Children’s Homes – Final Report – April 2022**



**Audit Objective**

To provide assurance that there are sufficient controls in place regarding financial management of budgets for residential children’s homes and allowances for looked after children placed within the homes.

Assurance Opinion	Number of Actions	
	Priority	Number
<p>Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.</p>	Priority 1	0
	Priority 2	2
	Priority 3	4
	<b>Total</b>	<b>6</b>

Risks Reviewed	Assessment
Poor financial control across residential children’s homes leads to insufficient scrutiny and oversight which could result in poor value for money, the potential for fraud and error and/or children’s outcomes not being met.	Medium

**Key Findings**

- Children who are cared for within the Council’s children’s homes are entitled to various allowances which can be spent on clothing, day trips, occasions and other personal items. Unspent allowances are tracked via spreadsheets for each allowance. Recent practice has seen balances zeroed at year end rather than being carried forward. We understand that senior managers are reviewing and implementing policy regarding the level of each allowance together with the treatment of unspent allowances in previous and future financial years.
- Expenditure is made with either Purchasing cards (P-cards) or petty cash from an imprest account. Movement of cash is tracked by an imprest book for the petty cash tins and handwritten cards for each allowance wallet. Generally, there is a good functional system in place. However, we noted one cash transaction and one P-card transaction that had not been recorded correctly. This highlighted gaps in current arrangements for reconciling the various tins/wallets and associated records, and we have suggested enhanced controls in these areas. We also identified a current single point of failure in terms of knowledge of cash processes so have suggested training of other staff members.
- From analysing staff rotas over a period of six weeks, we noted no evidence of systematic overstaffing or understaffing. However, we do not consider that the current system (printed spreadsheet rotas being subsequently annotated by hand to reflect changes), or budget monitoring arrangements, will be able to provide ongoing assurance that staffing at the rota level is appropriate. Therefore, we have suggested that management reviews current practices surrounding staff rotas.

**Audit Scope**

- The audit included:
- Review of budget setting and monitoring processes and performance for residential children’s homes
  - Review of processes for managing and handling petty cash
  - Review of processes and controls in place for children’s allowances including monitoring and oversight of amounts spent
  - Review of controls in place for the management of staff rotas to provide cost effectiveness
  - Re-creating handwritten staff rotas using Excel and undertaking analysis of these
  - A benchmarking exercise with other SWAP partners to establish mechanisms used for management of staff rotas and allowances for children
- We did not review authorisation of expenditure transactions outside of petty cash and P-cards.

**Additional Relevant Information**

Six actions have been agreed with management with a detailed action plan attached. All actions are due to be implemented by 31<sup>st</sup> May 2022. In addition to the agreed actions, we have made spreadsheet analysis of petty cash expenditure during the current financial year available as management information.

Page 21



This page is intentionally left blank

## **Audit and Governance Committee 22 June 2022 Honorary Aldermen/Alderwomen of the Dorset Council area**

### **For Recommendation to Council**

**Portfolio Holder:** Cllr S Flower, Leader of the Council

**Local Councillor(s):** All Councillors

**Executive Director:** J Mair, Director of Legal & Democratic

Report Author: Jacqui Andrews  
Title: Service Manager, Democratic & Electoral Services  
Tel: 01258 484325  
Email: jacqui.andrews@dorstcouncil.gov.uk

**Report Status:** Public

#### **Brief Summary:**

Section 249 of the Local Government Act 1972 enables the council to confer the title of Honorary Alderman/Alderwoman in recognition of previous service by elected members. Whilst some of Dorset Council's predecessor councils made similar awards for Honorary Aldermen/Alderwomen, this practice was not adopted by Dorset Council on its creation in 2019.

The Chairman and Vice Chairman of the council, in consultation with the Group Leaders, propose establishing a mechanism to enable the conferring of the title of Honorary Alderman/Alderwoman to former members who have given a period of public service for a minimum of 16 years, and are considered to have made an outstanding contribution to the area in their role as elected member.

#### **Recommendation:**

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.

## **Reason for Recommendation:**

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.

### **1. Legislative background**

- 1.1 Section 249(1) of the Local Government Act 1972 permits the council to confer the title "Honorary Alderman/Alderwoman" on a person who has, in the opinion of the council, rendered eminent service to the council as a former member of the council. The status of an Honorary Alderman/Alderwoman is a purely honorary one in recognition of previous service, and does not give any special status to attend or to address meetings of the council or any committee or sub-committee.
- 1.2 The Act does not specify how 'eminent service' is defined and, as such, has been left as a matter for local interpretation.

### **2. Process**

- 2.1 It is proposed that the council establishes a panel of members who will consider nominations for the title of Honorary Alderman/Alderwoman and make recommendations to a specially convened meeting of Full Council. The proposal is that the panel is be made up of 1 member from each of the political groups appointed by the Group Leaders, plus the Chairman and Vice Chairman.
- 2.2 The Act states that conferring such a title should be undertaken at a meeting of Full Council specially convened for the purposes of considering conferring a title where not less than two-thirds of the members must vote in favour. The specially convened meeting will be held immediately prior to a scheduled Full Council meeting.
- 2.3 Any nominations for Honorary Aldermen/Alderwomen should meet the following criteria:
  - The nominee has retired from Dorset Council, and
  - The nominee shall have served a minimum of 16 years which can include service on any of the following authorities:
    - Dorset Council
    - Dorset County Council (disbanded in March 2019)
    - East Dorset District Council (disbanded in March 2019)
    - North Dorset District Council (disbanded in March 2019)
    - Purbeck District Council (disbanded in March 2019)
    - West Dorset District Council (disbanded in March 2019)

— Weymouth & Portland Borough Council (disbanded in March 2019),  
and

- The nominee is considered to have made an outstanding contribution in their role as an elected member.

2.3 It is intended that any person who is bestowed the title of Honorary Alderman/Alderwoman will receive a badge and a certificate in recognition of the honour.

### 3. **Financial Implications**

3.1 It is likely that each badge and certificate will cost approximately £100 to produce based on a minimum order of 10 badges. This cost will be met from the existing Chairman's budget.

### 4. **Climate Implications**

4.1 There are no climate implications associated with this report.

### 5. **Well-being and Health Implications**

5.1 There are no well-being and health implications associated with this report.

### 6. **Other Implications**

6.1 There are no other implications associated with this report.

### 7. **Risk Assessment**

7.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:  
Current Risk: Low  
Residual Risk: Low

### 8. **Equalities Impact Assessment**

This report does not impact on any equality and diversity issues.

### 9. **Appendices**

None

### 10. **Background Papers**

None

This page is intentionally left blank

## **Audit & Governance Committee 22 June 2022 LGA Finance Peer Challenge update**

### **For Review and Consultation**

**Portfolio Holder:** Cllr G Suttle, Finance, Commercial & Capital Strategy

**Local Councillor(s):** All

**Executive Director:** A Dunn, Executive Director, Corporate Development

**Report Author:** Aidan Dunn and Jim Mcmanus

**Title:** Executive Director (Corporate Development) and Corporate Director (Finance and Commercial)

**Tel:** 01305 224177; 01305 221235

**Email:** [aidan.dunn@dorsetcouncil.gov.uk](mailto:aidan.dunn@dorsetcouncil.gov.uk); [jim.mcmanus@dorsetcouncil.gov.uk](mailto:jim.mcmanus@dorsetcouncil.gov.uk)

**Report Status:** Public

#### **Recommendation:**

That the Committee receives and reviews 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. The letter will also be going to the Cabinet on 21 June 2022.

#### **Reason for Recommendation:**

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

#### **1. Executive Summary**

Dorset Council is committed to continuous learning and improvement. During the Spring of 2021, the council invited the Local Government Association (LGA) to undertake a peer review of the council's financial arrangements and in particular, the approach to managing the high needs block element of the dedicated schools grant (DSG).

The LGA peer challenge team spent three days speaking to Councillors, officers and partners. Before that, the team reviewed a range of documents, including a financial position statement the council had provided. At the end of the site visit, the team provided a presentation setting out their findings and a full [report](#) was submitted to Cabinet on 5 October 2022.

The report was accompanied by a set of key recommendations alongside responses from the Council; effectively forming an action plan. Council officers have taken this action plan forward and the work done since the initial visit was carried out has been considered again by the peer team and is the subject of the letter attached at Appendix 1.

#### **2. Financial Implications**

The report endorsed the progress made in establishing the Council and made a series of recommendations to further develop the council's financial arrangements. An update on the action plan is covered in the attached letter from the LGA peer team.

### **3. Well-being and Health Implications**

No wellbeing and health implications have been identified.

### **4. Climate implications**

No direct implications from this report.

### **5. Other Implications**

None.

### **6. Risk Assessment**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: low

Residual Risk: low

### **7. Equalities Impact Assessment**

There are no equalities implications arising from this report.

### **8. Appendices**

Appendix 1 – Dorset Council finance peer update letter

#### **Footnote:**

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

# Finance Peer Challenge – Progress Review

Dorset Council

25 March 2022



## 1. Background

Dorset Council has welcomed sector led improvement (SLI) since its inception as a new unitary council in 2019. The concept of external challenge has been a key part of their approach to improvement and learning from the outset, it has also involved many of the council's senior officers and members acting as peers to other local authorities.

The Council undertook an LGA Finance Peer Challenge (FPC) during June/July 2021 and promptly published the full report with an [action plan](#). The LGA FPC process includes a progress review, providing space for the Council's senior leadership to update peers on its progress against the action plan the council had developed and to provide, where appropriate, further feedback and observations from the peer team in respect of this.

## 2. Peer Team and Process

The peer team consisted of:

- Dave Perry - Chief Executive, South Gloucestershire Council
- Cllr Rob Waltham – Leader, North Lincolnshire Council
- Mark Wynn – Chief Operating Officer, Cheshire West and Chester Council
- Katharine Eberhart – Director of Finance and Support Services, West Sussex County Council
- Kathryn Trant - LGA Peer Challenge Manager

In preparation for the progress review, the Council provided peers with a short video position statement serving as a bridge to reconnect peers with recent context and activity, including status of some of the recommendations with summary progress. Pre-engagement discussions took place between the peers and their counterparts at Dorset Council, including a focus group meeting with Finance Business Partners.

The progress review concluded with a round table meeting which took place on Friday 25<sup>th</sup> March and was attended by the following from Dorset Council:

Cllr Spencer Flower – Leader  
Cllr Gary Suttle – Finance Portfolio Holder  
Matt Prosser – Chief Executive  
Aidan Dunn – Executive Director Corporate Development  
Jim McManus – Corporate Director Finance and Commercial

## 3. Output from progress review

During the round table meeting the areas highlighted below were discussed and the notes that accompany these, which have been shared with the peer team, provide a record of the key issues discussed or raised. They are a reference point highlighting progress and issues, as well as hopefully a useful record for the council to help with any further reflections on the back of the round table.

- **Financial Baseline:**

One of the key recommendations from the FPC was to use the 2022/23 budget setting process to test a refreshed budget process model. As a result of hard work by officers and members updated financial baseline data was used as part of the new approach to budget setting for 2022/23. As a result of this the council is more confident in the robustness of the budget, and whilst still early, expects to end the year at a breakeven position which is very different to the 2021/22 Q1 forecast.

Budgets are regularly monitored and overspends are proactively managed down. The development of a complete financial baseline to aid getting a true budget picture, has also helped with in year monitoring and the management of overspends. Examples were provided to the team of this, including for example within the Place Directorate where analysis uncovered areas where convergence work had not been completed. It was a challenging exercise but critical to understand the bottom line cost to run each service.

Officers and members were encouraged to come forward with ideas throughout the budget process. This will also have helped to communicate and embed the financial strategic narrative across the council in line with another key recommendation. The new budget setting process included a lot of work with members to make sure the fundamentals were understood and aided in the budget for 2022/23 being approved at full council by a significant majority. The work to understand the budgets on a true cost basis has given members the confidence to take decisions and there will be a constant process of monitoring figures and trends.

A new mission statement is under development which will set out key priorities for the next two years and should aid in guiding officers on how resources should be focused as future budgets are developed.

- **Delivery of savings and transformation:**

Officers and members have more confidence in the figures than a year ago, reflecting the increasing maturity of the Council. The council has been careful to refresh the transformation targets as part of the latest budget round by putting rigour into the process and not rolling on unachievable numbers. There is more capacity into Corporate Services to constructively challenge and support to give more chance of success.

The Council is working to change the dynamic around the identification of savings away from what seemed like a negative action, this year it was promoted more as a positive process to instil a sense of working together. A measured approach to issues has led to a growing sense of confidence throughout the organisation.

Children's services have made good progress, they have a plan that sets out target transformation savings and associated risks. Adult Services have a big project coming forward with the creation of the arm's length company 'Care Dorset'. As part of this the council believes there will be potential to invest in the service further and make improvements for residents.

There are plans to find the £17m of savings required by the MTFP – these range from relatively straight forward options such as deleting vacant posts and generating increased income, to more complex plans in some areas. Inflation is a problem, as it is for many councils. It will be important in this context that the council continues the increased rigour and governance around monitoring and delivery of agreed saving plans moving forward, and that service managers remain accountable for the achievement of these savings.

There is a sense of progress on ownership of budgets by services, which picks up the FPC recommendation to be clear who is accountable for delivering what and the consequences of non-delivery. This ownership of budgets is reflected in cabinet members who are being proactive and positive. Collectively Cabinet is working well, Portfolio holders presented at the budget cafes for example. Scrutiny is welcomed. Discussions about finance are ongoing and Cabinet members are able to challenge each other at Performance Board.

- **Coherence between budget targets and priorities:**

Difficult conversations about moving resources around have not had to take place, although the council is in a stronger position to do so if necessary (for example if wanting to resource further investment in the priorities set out in the Mission Statement).

Whilst there is good news on the HNB deficit and a plan in place for Adult Services, the council is continuing to focus on the medium term. If the £17m savings is not forthcoming as expected, then it could possibly be found elsewhere on an interim basis. However, the council recognises that the internal and external pressures on the medium term position has the greatest risk of negatively impacting on services if not proactively managed. There is a plan being constantly monitored and if there are external changes then the council believes it has the temporary resources to flex and adapt. The message from senior leadership is about generating income, not just making savings. It is likely both will be required to not only meet future financial challenges, but also enable resources to be moved behind priorities.

Whilst an element of flex is right, the council should be wary of a culture developing where officers think it is ok not to achieve savings because something else will come along. Maintaining accountability for delivery of savings and ownership of the budget challenge will be critical to successfully achieving the medium term financial plan.

- **Capital:**

The council has made good progress in how it is organised in terms of monitoring capital investment, there is a monthly board that manages the ambitious capital programme. However, the links between capital and revenue, whilst improved, could be stronger. There are assets the council has ambitions to sell, but not yet confident enough to put figures in the budget for capital receipts.

There is a £350m capital programme being reviewed currently to ensure it aligns with priorities. The council has headroom to borrow or consider wider financing routes, and perhaps there are opportunities for long term investment projects.

An area for the council to consider is how priorities set by the political leadership and through the new mission statement get embedded into the budget process, what are the drivers and mechanisms for this? There may also be opportunities for joint ventures or self-development alongside disposal of assets purely for the sake of a capital receipt as part of the ongoing development of the capital strategy? This is an area where work is ongoing.

- **Commercial approach:**

One of the key recommendations from the FPC was to clarify the ambitions around 'being more commercial' and align to the core strategies. As a result of work to address this recommendation, a commercial strategy has been taken through Cabinet and various workstreams set up so that a community of officers is working internally to advise. The council is working to raise the level of commercial awareness across the organisation.

There is still some work to do on collective understanding of a commercial approach. Some think it means buying a shopping centre, others think it means better procurement. Is the focus external or internal? The council sees itself at least as opportunistic taking advantage of opportunities as they arise. The council has a big estate and has control over its asset base. It wants to drive out the benefits, but it will be important to get commercialism, assets, and property investments in line.

The commercial strategy is the first part of the commercial journey, and this shows huge progress, the conversations that subsequently take place show the thinking for stage two.

- **Partnerships:**

The council continues to develop its strategy for working in partnership with others to the benefit of Dorset residents. It recognises the importance of working with others to best deliver joined up outcomes for all, but also has been prepared to withdraw from historical arrangements when these no longer seem to add value.

BCP council is a key partner, however the council has reviewed how some of the current partnership arrangements are working and has decided to withdraw from their wholly and jointly owned adult care services partnership and the shared Revenue and Benefits service. These have been pragmatic decisions to create services that meet the needs for Dorset Council.

There is a significant opportunity to work more cohesively with health partners, and the council is keen to develop this relationship further. With the end of CCG's and introduction of the ICS underway, the council has worked with health partners to look at further joint working through the use of s256 funding. The council is trying to position itself in the right space as a good partner with a focus on prevention. There has been good partnership working throughout Covid with the NHS/CCG, and it is important the council continues to exploit and develop this relationship further, pushing for the opportunity ICS's now present to move the joint health and care space to balance more appropriately from the treatment of illness to one of a population, prevention, and wellbeing focus.

#### **Strategies:**

As the council comes to the end of its third year things have stabilised, there are varying degrees of strategies, some aspirational and some being developed. The council is still a relatively young organisation but continues to mature quickly; it is well positioned to recognise there is still work to do and will guard against complacency. Constant monitoring will highlight warning signs and the council will be ready to respond.

There is a sense of pride and accomplishment at the council. The council is developing a new Mission Statement which includes 10 priorities of differing timeframes. This should create a clear sense of direction, but it will be important they are properly integrated into other strategic plans to ensure proper alignment, and clarity of priorities. They will also need to be appropriately resourced along with maintaining service delivery of business as usual which residents want to see – ensuring appropriate balance will be important for future outcome delivery.

#### **4. Next steps and future support**

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on this summary recording of discussions. In order to support transparency, the council is advised to publish this letter.

Paul Clarke, Principal Adviser for the South West Region is the main contact between your authority and the Local Government Association. Paul is available to discuss any further support the council requires. [paul.clarke@local.gov.uk](mailto:paul.clarke@local.gov.uk) .

## **Audit and Governance Committee**

**22 June 2022**

## **Learning from code of conduct and localism act complaints**

### **For Review and Consultation**

**Portfolio Holder:** Cllr L Miller, Customer and Community Services

**Local Councillor(s):** All

**Executive Director:** M Prosser, Chief Executive

Report Author: Antony Bygrave

Title: Senior Assurance Officer Complaints

Tel: 01929 557268 and 01305 225011

Email: [antony.bygrave@dorsetcouncil.gov.uk](mailto:antony.bygrave@dorsetcouncil.gov.uk)

**Report Status:** Public

#### **Brief Summary:**

This report sets out the level of resources that Dorset Police and Dorset Council are expending on responding to code of conduct and complaints and allegations of offences committed under the Localism Act 2011 from town and parish councils.

#### **Recommendation:**

That the Committee scrutinises and notes the number and origin of Councillor Code of Conduct complaints and allegations, the resulting resource impacts and additional costs incurred through investigation.

#### **Reason for Recommendation:**

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.

## Report

### Context

- 1.1 There are some 160 councils and 1,400 councillors in Dorset providing valuable services for local people. Their activity is hugely varied and the size of the organisations vary considerably. Some of the larger town councils employ significant numbers of staff and carry out a wide range of operational activities in their areas. At the other end of the scale, some of the smaller parishes provide a very important voice of their local community but may not directly deliver any operational services on the ground.
- 1.2 Most town and parish councils are well-run, operate effectively with councillors and employees exemplifying the seven principles of public life, known as the Nolan principles. Occasionally, some individuals in town and parish councils may not act in accordance with the Nolan principles and / or may commit an offence under the Localism Act 2011. Criminal offences relate to not declaring a pecuniary interest when required by the act to do so. All town and parish councils in Dorset have adopted a code of conduct for their councillors which sets out what is expected of them in line with the Nolan principles.

### The Seven Principles of Public Life – the Nolan Principles

- 1.3 The seven principles of public life (also known as the Nolan Principles) apply to anyone who works as a public office-holder. They are:
  - **Selflessness** – to act solely in terms of the public interest.
  - **Integrity**- to avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
  - **Objectivity** – to act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
  - **Accountability** – to be accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
  - **Openness** – to act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
  - **Honesty** – to be truthful.
  - **Leadership** – to exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

## The role of Dorset Council and Dorset Police in overseeing good conduct

- 1.4 Dorset Council has arrangements in place to investigate and reach decisions about code of conduct complaints. Dorset Police must investigate allegations into offences committed under the Localism Act 2011.

### Summary of findings

#### Dorset Council

- 1.5 In 2020/21, we received 54 code of conduct complaints about Dorset Council and Town and Parish Councillors in Dorset. Of these, just 8 were investigated and 3 upheld. Of the 54 Councillor Conduct Complaints, 45 related to Town and Parish Councillors with 9 relating to Dorset Council. At the time of this report in 2021/22, Dorset Council have received 60 complaints in relation to the Code of Conduct with 49 related to Town and Parish Councillors and 11 relating to Dorset Council. Although some are still open and under investigation, only 1 has been upheld to date. Here is the breakdown of Town and Parish Councillor complaints:

1/04/2020 – 31/03/2021	1/04/2021 – 31/12/2021	Total
Blandford	1 0	1
Burton Bradstock	1 0	1
Chickerell	1 0	1
Church Knowle	0 1	1
Colehill	0 1	1
East Stoke	1 0	1
Ferndown	1 1	2
Holt	1 1	2
Langton Matravers	1 0	1
Lyme Regis	1 1	2
Lytchett Matravers	0 1	1
Lytchett Minster and Upton	3 0	3
Owermoigne	0 1	1
Portland	1 9	10
Puncknowle	0 1	1
Shaftesbury	21 16	37
Sherborne	1 0	1
Shillingstone	1 0	1
Stallbridge	1 0	1
West Parley	1 0	1
Weymouth	4 6	10
Wimborne	2 0	2
Winterborne St Martin	1 1	2
Winterborne Whitechurch	0 6	6
Worth Matravers	0 1	1

## Dorset Police

- 1.6 The following table shows the complaints that the police have received in the last 8 years. Shaftesbury Town Council makes up, by far, the largest number. Of the 14 allegations made in relation to Shaftesbury Town Council, None of them have resulted in any offence being identified.

Council	Totals
Bourton	1
Broadwindsor	1
Dewlish	1
East Dorset District Council	2
North Dorset District Council	1
Piddle Valley	1
Shaftesbury	14
West Lulworth	1
Weymouth	1
Worth Matravers	1
	24

## Learning

- 1.7 In line with our approach to other complaints we will continue to look in the future how we can learn from complaints about councillors as part of promoting high standards of conduct. However, with so few upheld there is a concern that some of the complaints received from councillors about councillors are not in the true spirit of the Code of Conduct. There is however, a repeat theme of conduct on social media. Although often not in scope of the policy (as the accounts are private), councillors should perhaps be mindful of possible offence being taken.

### 2. **Financial Implications**

Significant resources have been spent in investigating many complaints emanating from one organisation – many of which do not result in any substantive findings. Where there have been complaints upheld, this has had little change in overall behaviours. Clearly this does not constitute good value for money for local taxpayers. Whilst it is not possible to put a financial value on this, it is clear that this is officer time that could be spent more productively.

If there are complex reviews to be undertaken then we pay the Independent Person (IP) at an hourly rate of £30

### 3. **Climate Implications**

None

4. **Well-being and Health Implications**

Being the subject on an allegation or complaint may have detrimental impacts on people and is particularly unfortunate when the allegation or complaint turns out to be without merit.

5. **Other Implications**

None

6. **Risk Assessment**

6.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

7. **Equalities Impact Assessment**

An equalities impact assessment is not needed for this report as it is not making any proposals.

8. **Appendices**

None

9. **Background Papers**

None

This page is intentionally left blank

## **Audit and Governance Committee**

### **22 June 2022**

### **Fraud and Whistleblowing**

### **For Review and Consultation**

**Portfolio Holder:** Cllr S Flower, Leader of the Council

**Executive Director:** J Mair, Director of Legal & Democratic

**Report Author:** Marc Eyre  
**Title:** Service Manager for Assurance  
**Tel:** 01305 224358  
**Email:** marc.eyre@dorsetcouncil.gov.uk

**Report Status:** Public

**Brief Summary:** The Audit and Governance Committee receives an annual report on fraud and whistleblowing, which provides an update on the Councils approach, including a summary of cases reported in the preceding twelve months.

The opportunity has been taken to review the supporting policy framework, which was previously approved by Shadow Dorset Council. A number of minor amendments have been made, based on changes to legislation and lessons learnt from incidents.

**Recommendation:** The Committee are asked to:

- i) Note the annual update on fraud and whistleblowing activity;
- ii) Approve the following updated policies:
  - Whistleblowing Policy and Procedures;
  - Anti Fraud, Corruption and Bribery Strategy;
  - Anti Money Laundering Policy

**Reason for Recommendation:** To support the Council's zero tolerance to fraud.

## 1. Summary of Anti Fraud Initiatives

- 1.1 South West Audit Partnership (SWAP) completed an audit on “Fraud and Reporting” in April 2021, with the objective of providing assurance that the fraud management arrangements are clear and accessible. This included a follow-up on a 2018 review of whistleblowing. SWAP completed a second piece of fraud reporting in May 2021, which provided a cross-cutting baseline assessment report on the maturity of fraud management across wider SWAP partners. The recommendations from all of these reports have been responded to via an action plan, the key elements outstanding are noted below:

Theme	Latest Position	Status
Policy framework	A number of amendments have been made to the fraud policies, and are included with this report (Appendix A – C) for ratification. Sections 1.2, 1.3 and 1.4 refer.	Target June 2022
Fraud Risk Assessment	SWAP are in the process of completing the fraud risk assessment review with services. On completion, the output will be embedded into the existing risk register process.	Target June 2022
Communication	Intranet pages have been updated, and a reminder on whistleblowing issued by the Chief Executive in May 2022. Communication will be refreshed on approval of the revised policies.	Target June 2022
Training for Officers and Members	This remains an outstanding action, to be completed once the fraud risk assessment process is finalised.	Summer 2022
Fraud identification	A number of service areas have initiated data matching via Cifas (as part of our internal audit arrangements with SWAP). Regular	Ongoing

	updates are provided via the quarterly SWAP audit reviews to this committee	

- 1.2 **Whistleblowing Policy and Procedures** – A number of adjustments have been incorporated, based on learnings from a 2021 whistleblow case and following internal audit recommendations. This includes adding a time restriction for appeals (3.11); clarification on the employee definition (6.1); and adding an email address to the whistleblowing hotline. Consideration was given to including a risk assessment as part of the policy to determine the extent of investigation. On consideration it was felt that this would be counter-productive to our zero tolerance on fraud..
- 1.3 **Anti Fraud, Corruption and Bribery Strategy** – A clearer definition of fraud has been included, following internal audit recommendations (1.1). As with 1.2 above, inclusion of a risk assessment was considered but removed..
- 1.4 **Anti Money Laundering Policy** – Cosmetic change to identified legislation (p1 Scope).
- 1.5 The above policies have been reviewed via Corporate Leadership Team and are submitted to Audit and Governance Committee for ratification.
2. **Reporting of Whistleblowing and Fraud – 2021/22**
- 2.1 Whilst any issues reported via the Whistleblowing hotline or directly to either the Monitoring Officer or Section 151 Officer will be recorded centrally, other issues that could constitute fraudulent activity (for instance those related to staff code of conduct) are investigated and reported separately via Human Resources. At this point in time, this report focuses on issues reported to the Monitoring Officer or Section 151 Officer.
- 2.2 The purpose of the whistleblowing policy extends beyond fraud to other perceived cases of malpractice, whether behavioural, procedural or in respect of health and safety failings.
- 2.3 The whistleblowing policy sets out a number of mechanisms for notification of fraud or other perceived malpractice. The table below sets

out whistleblowing activity during 2021/2022. None of these reported issues related to alleged fraud:

<b>Whistleblowing hotline:</b>	No notifications received
<b>Notification to Manager / Executive Director / Chief Executive :</b>	Two notifications received, both related to management/procedural matters.  The first related to Childrens Services financial management issues. SWAP were initiated to carry out a review and the issues raised were partially upheld.  The second issue raised related to a complaint against Childrens Services that was already being managed within the complaints process and therefore the whistleblowing case was closed.
<b>Notification to the Monitoring Officer :</b>	None
<b>Notification to the Section 151 Officer :</b>	None
<b>Notification to SWAP :</b>	Member of the public contacted SWAP raising concerns relating to a number of corporate services. The spirit of the whistleblowing policy was applied and related audit work initiated via SWAP. The issues reported had already been noted and rectified by the services and no significant matters identified during the audit review.

3. **Financial Implications**

Fraud presents a financial risk to the Council which needs to be managed to reduce risk down to an acceptable level.

4. **Climate Implications**

None

5. **Well-being and Health Implications**

None

6. **Other Implications**

None

7. **Risk Assessment**

7.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Medium

Residual Risk: Medium

8. **Equalities Impact Assessment**

Fraud policies have been subject to EQIA.

9. **Appendices**

Appendix A - Whistleblowing Policy and Procedure

Appendix B - Anti Fraud, Corruption and Bribery Strategy

Appendix C - Anti Money Laundering Policy

10. **Background Papers**

None

This page is intentionally left blank

# Whistleblowing Policy and Procedure

## Policy summary

<p><b>Purpose</b></p>	<p>The Whistleblowing Policy and Procedure describes the Council’s commitment to supporting and protecting whistleblowers; the steps that you should take if you wish to blow the whistle on serious wrong-doing in the workplace (known as making a “protected disclosure”); and how the Council will respond.</p>
<p><b>Scope</b></p>	<p>This policy and procedure applies to all council employees and other workers; including freelance staff; temporary and agency staff; trainers; volunteers; consultants; and contractors.</p> <p>It sits alongside the Council’s Anti-Fraud, Corruption &amp; Bribery Policy and Strategy and its Anti Money Laundering Policy.</p> <p>It supersedes the Whistleblowing Policy and Procedure dated 6 February 2019</p>

## Table of contents

1) Introduction	P2
2) Raising a Concern	P4
3) Whistleblowing Procedure	P5
4) Support	P7
5) External Disclosures	P7
6) Other Workers and Suppliers	P7
7) Key Roles and Responsibilities	P8
8) Contact Details	P9

## **1. Introduction**

- 1.1 Dorset Council is committed to achieving high standards of integrity and accountability and expects the same commitment from all of its employees and others working for and with the council.
- 1.2 We aim to provide an open environment so that employees and those working for the Council can raise issues that they believe to be in the public interest, with the confidence that they will be acted upon appropriately.
- 1.3 The Council is committed to a culture in which individuals with serious concerns can feel confident that in raising those concerns they will be protected from any detrimental treatment, such as victimisation and/or harassment.
- 1.4 The Whistleblowing Policy and Procedure describes the Council's commitment to supporting and protecting whistleblowers; the steps that you should take if you wish to blow the whistle on serious wrong-doing in the workplace (known as making a "protected disclosure"); and how the Council will respond. It is also important for potential whistleblowers to understand that their employment will be protected by the Council on the strict assumption that any disclosures or allegations are not malicious in nature.
- 1.5 This procedure complies with the Public Interest Disclosure Act 1998 and the Enterprise and Regulatory Reform Act 2013.
- 1.6 Concerns raised under this policy can include:
  - Failure to observe health and safety regulations, or actions which involve risks to the public or other employees;
  - Financial irregularities - including fraud, corruption or unauthorised use of public funds;
  - Conduct which is unlawful;
  - Action causing major harm to the environment;
  - Employees claiming benefits to which they are not entitled;
  - Sexual, racial, physical or other abuse of service users;
  - Other causes of malpractice, negligent, unprofessional or unethical behaviour;
  - Concealment of any of the above.
- 1.7 The Council will support and protect whistleblowers who raise a concern under this policy, in accordance with the safeguards contained in the Public Interest Disclosure Act.
- 1.8 Allegations should only be made where the whistleblower reasonably believes that the disclosure is in the public interest.

- 1.9 All reported wrong-doings will be treated in absolute confidence, with every effort made by the Council not to reveal a whistleblower's identity if they so wish. However, it may be necessary for a whistleblower to become an identified witness at an appropriate time, particularly if it has not been possible to substantiate the allegations by other means. The implications of this, together with the appropriate support/protection arrangement, will be discussed with the whistleblower.
- 1.10 Whistleblowers are encouraged to put their name to allegations. Anonymous allegations will be investigated but are much less powerful and are more difficult for the Council to act upon.
- 1.11 If the Council finds that allegations have been made maliciously or for personal advantage, action will be taken against an employee making the allegation in accordance with the Council's disciplinary policies.
- 1.12 This policy is not a substitute for the council's other policies and procedures on matters such as personal grievances, bullying and harassment, health and safety, safeguarding issues (children and/or adults) or complaints. It should also not be used to raise matters relating to an employee's own terms and conditions of service.

## **2. *Raising a Concern***

- 2.1 There is an obligation on every one of us to raise serious issues of concern so that they can be addressed. This procedure describes how you should do this if you wish your concerns to be treated as a "protected disclosure".
- 2.2 The Council's Code of Conduct for employees makes it clear that employees who have serious concerns about aspects of work, or practices which affect the integrity of the Council, or safety of its employees or the general public, must come forward and voice these concerns.
- 2.3 When you raise an issue you must do this in writing. You can write anonymously but the Whistleblowing Policy and Procedure is intended to give you the confidence to put your name to your concerns.
- 2.4 It is important to make it clear that the issue is being raised under the Whistleblowing Policy. Concerns such as complaints or safeguarding (children or adults) issues should be raised under those specific policies.
- 2.5 In the first instance you should normally raise issues and concerns with your line manager. There may though be instances where the seriousness of your concerns, or the involvement of your line manager, mean that you need to go straight to your head of service or director. In the most serious cases or where you do not feel able to raise concerns within your own directorate then you can also make a direct disclosure to:
- The 'Monitoring Officer'
  - The 'Chief Financial Officer'

- The Chief Executive.

Contact details are provided later in this procedure.

- 2.6 Managers who receive whistleblowing complaints or allegations must ensure that they are referred immediately to the Monitoring Officer.
- 2.7 It is important for managers to understand that a complaint or allegation may fall within the scope of this policy and procedure even though the employee might not actually write that they are “whistleblowing” or making a “protected disclosure”. Managers must recognise the nature of the complaint and if it is within the scope of this policy and procedure then it must be referred to the Monitoring Officer.
- 2.8 The Monitoring Officer will then ensure that any appropriate subsequent notifications are made to others. For example, in the case of a financial irregularity (e.g. fraud, corruption or unauthorised use of public funds), the Council’s Section 151 Officer (Chief Financial Officer) must also be informed.
- 2.9 In some situations, you may wish to take advice from and/or involve a colleague or Trade Union representative. The Council welcomes this involvement as it can help to give you the confidence to raise concerns that you might not otherwise feel able to disclose to senior management.

### **3. Whistleblowing Procedure**

- 3.1 Depending on the nature of the alleged wrong-doing, the Council will arrange for the matter to be:
- Investigated internally by directorate management, or a senior manager from another directorate, or by another independent professional.
  - Referred to the External Auditor to be investigated; and/or
  - Referred to the appropriate external enforcement agency (e.g. Police, Health and Safety Executive, Environmental Agency, or the appropriate Government Department).
- 3.2 The Monitoring Officer will write to you (the whistleblower) within 10 working days of the concern being raised to acknowledge receipt of the issue and to indicate how the Council proposes to deal with the matter.
- 3.3 Investigations will be planned and controlled to ensure a thorough and speedy conclusion. The Monitoring Officer will oversee the process to ensure that this is achieved.
- 3.4 When the issue raised is about another employee’s conduct, following an initial investigation under the Whistleblowing Policy, the matter may then be

dealt with by management as part of an appropriate HR procedure (e.g. Fairness and Dignity at Work, Disciplinary or Capability Procedure etc.)

- 3.5 Employees raising concerns under this policy and managers to whom allegations are disclosed must maintain confidentiality in all areas, including among service users and other employees.
- 3.6 When considering anonymous allegations, the Council will take the following factors into account:
- The seriousness of the matter raised.
  - The credibility of the allegation.
  - The likelihood of obtaining information which could confirm the allegation.
- 3.7 In some situations, urgent action may need to be taken prior to any investigation process (e.g. to protect the safety of individuals, or if immediate action is needed to secure relevant information etc.).
- 3.8 The investigating officer will provide you with initial feedback on the actions being taken and the likely timescales within 20 working days of the complaint being made. Thereafter, feedback will be provided on an agreed regular basis.
- 3.9 Subject to any legal constraints, the Council will inform you of the outcome of the investigation although clearly it will not be possible to do this if the whistleblower is determined to remain anonymous.
- 3.10 If when you are informed of the response to the allegation you have raised you are dissatisfied, you should put your concerns in writing to the Chief Executive **within 20 working days of receipt of the correspondence**, who will arrange for these to be reviewed.

#### **4. Support**

- 4.1 The Council will identify an individual to provide support and advice to you throughout the investigation process.
- 4.2 Similarly, a contact/liaison officer will be provided to an employee under investigation as part of a whistle-blowing complaint.
- 4.3 If you feel victimised or harassed, or believe that you have suffered any other detriment as a result of raising a concern in accordance with this procedure, then you should advise the person identified in 4.1 and/or the Monitoring Officer. You are actively encouraged to raise concerns directly with these individuals if you feel dissatisfied with the application of this policy.
- 4.4 A free, personal and confidential counselling service is available to all council employees.

## **5. External Disclosures**

5.1 If you are dissatisfied with the Council's response through its internal procedures, then you should consider contacting an external organisation. These could include:

- External Auditor
- Health and Safety Executive
- Ofsted
- Care Quality Commission (CQC)
- Environmental Agency
- Her Majesty's Revenue & Customs (HMRC)
- Public Concern at Work

5.2 Advice should be taken before making an external disclosure and, under normal circumstances, the internal procedure should have been followed first.

5.3 The Council has established this policy and procedure as a means of enabling its employees to raise serious concerns in a way that protects them from any detriment. In doing so the clear expectation is that you follow the Whistleblowing Policy and Procedure and must not make disclosures through the media (e.g. the press and/or internet, social media etc.)

5.4 The Public Interest Disclosure Act 1998 provides some employment protection rights to individuals who 'blow the whistle' outside their organisation. However, the types of information and the situations in which concerns are disclosed externally are tightly defined in the legislation. The Act only protects those making disclosures which are considered to be in the public interest.

5.5 As such, the Council reserves the right to take action against any employee where an inappropriate external disclosure is made. This would include, for example, cases when an allegation has made maliciously or for personal advantage or direct to the media without any attempt to address issues through the whistle-blowing policy and procedure.

## **6. Other Workers and Suppliers**

6.1 This policy and procedure applies to all council employees and other workers (regardless as to whether they remain employed by the Council at the time that the whistleblow is made); including freelance staff; temporary and agency staff; trainers; volunteers; consultants; and contractors. It will be published to ensure that it is available and easily accessible to all such groups.

6.2 The spirit of this policy and the procedure will also be applied to all employees in organisations who work in partnership with the Council or who supply goods and services to the Council, recognising though that these are not employees of the Council.

6.3 It will also be applied in spirit to elected members of the Council, recognising though that they have separate and distinct roles as the elected

representatives of their communities who operate within a political environment. Elected members to whom the whistle is blown should in the first place contact the Monitoring Officer.

- 6.4 All concerns should be raised with an appropriate officer and/or the council's Monitoring Officer.
- 6.5 Members of the public may also have serious concerns about which they wish to "blow the whistle". As they are not employees, members of the public cannot suffer detriment in their employment as a result of whistleblowing. Again though, it is important the spirit of this policy and procedure is applied so that service users are not discouraged from coming forward and raising serious concerns for fear that they will receive a lower level of service in the future.
- 6.6 For the sake of clarity this policy is not to be used by members of the public to pursue complaints about individual service delivery. Instead these should be referred to and dealt with through the council's complaints procedure

## **7. Key Roles and Responsibilities**

### **7.1 Employees / Councillors –**

- Will ensure that they raise serious concerns about any aspects of work and/or practices which affect the integrity of the council and/or the safety of employees or the public

### **7.2 All Managers –**

- Will ensure that their members of staff (including agency staff, consultants, contractors, volunteers etc) are aware of and follow approved council procedures (e.g. financial regulations; health and safety etc.).
- Will register any whistle-blowing cases brought to their attention immediately with the Monitoring Officer
- Will respond to whistle-blowing submissions positively within the timescales set out within this policy

### **7.3 Monitoring Officer –**

- Will take overall responsibility for overseeing the appropriate application and ensure adherence to the requirements of the Whistle-blowing policy and procedures.
- Will maintain a record of all whistle-blowing allegations
- Will respond to the whistle-blower within 10 working days of receiving an allegation.

- Will provide proactive support and advice to managers as required; including attendance at meetings as necessary.
- Will ensure that this policy is subject to formal review on a regular basis.

#### **8. Contact Details**

Monitoring Officer: Jonathan Mair ( [Jonathan.Mair@dorsetcouncil.gov.uk](mailto:Jonathan.Mair@dorsetcouncil.gov.uk) )

Chief Financial Officer: Aidan Dunn ( [aidan.dunn@dorsetcouncil.gov.uk](mailto:aidan.dunn@dorsetcouncil.gov.uk) )

Confidential reporting line: 01305 225009 (24 hours) / **add email tbc**

Chief Executive: Matt Prosser ( [matt.prosser@dorsetcouncil.gov.uk](mailto:matt.prosser@dorsetcouncil.gov.uk) )

External Auditor: Deloitte

Policy Owner: Marc Eyre, Service Manager for Assurance

Date Approved:

Review Date: May 2025

This page is intentionally left blank

# Anti-Fraud, Corruption and Bribery Strategy

## Policy summary

<p><b>Purpose</b></p>	<p>This Strategy sets out Dorset Council's commitment to tackling fraud, corruption and bribery. It specifies the actions the Council promotes to prevent such acts, and sets out the roles and responsibilities of Councillors and employees in minimising the risk of fraud, corruption and bribery and reporting any suspicions they have. The Strategy provides a 10 step response plan for any issues of concern involving Council employees.</p>
<p><b>Scope</b></p>	<p>This policy and procedure applies to all Councillors, council employees, stakeholders, and anyone who needs to raise issues relating to fraud, corruption or bribery in the public interest.</p> <p>It relates to the following legislation: Theft Act 1968; Forgery and Counterfeit Act 1981; Terrorism Act 2000; Proceeds of Crime Act 2002; Fraud Act 2006; Bribery Act 2010</p> <p>It sits alongside the Council's Anti Money Laundering Policy and Whistle-blowing Policy.</p> <p>It supersedes the Anti-Fraud, Corruption and Bribery Strategy dated 6 February 2018.</p>

**Table of contents**

1) Introduction	P3
2) Why do we have an Anti Fraud, Corruption & Bribery Strategy?	P4
3) What is Fraud, Corruption & Bribery?	P7
4) The Council's Approach to Countering Fraud	P8
5) Reporting Procedure	P9
6) Investigation Process	P10
7) Key Roles and Responsibilities	P11
8) Summary	P12
Appendix A – Fraud Response Plan	P14

## 1. Introduction

1.1 Fraud is a serious matter that affects both the council and the local area. It can have a direct impact on the level of council tax, the level of resources available to share amongst our community and local services such as housing, social care and education. We are committed to ensuring that fraud and corruption is reduced and that the risk is minimised by operating a zero-tolerance culture of fraud corruption.

1.2 **What is fraud?** It can be defined as any intentional false representation, including a failure to declare information or abuse of position that is carried out to make a gain, cause loss or expose another to the risk of loss.

1.3 Fraud can be used to describe many acts such as:

Deception	<i>Causing someone to accept as true or valid what is false or invalid</i>
Bribery	<i>Offering someone money or something valuable in order to persuade them to do something for you</i>
Forgery	<i>Copying a document, signature etc in order to deceive</i>
Extortion	<i>Using violence, threats, intimidation, or pressure from one's authority to force someone to hand over money or something valuable</i>
Corruption	<i>Offering, giving or accepting an inducement or reward which would influence the actions taken</i>
Conspiracy	<i>A plan or agreement formulated by two or more persons to commit an unlawful, harmful, or treacherous act</i>
Embezzlement	<i>Theft or misappropriation of funds placed in one's trust or belonging to one's employer</i>
Misappropriation	<i>The wrongful, fraudulent or corrupt use of other's funds in one's care</i>
False representation	<i>An untrue or incorrect representation regarding a material fact that is made with knowledge or belief of its inaccuracy</i>
Concealment of material facts	<i>The act of hiding or not putting forward any relevant fact that should to be revealed</i>

Collusion	<i>The act of doing something secret or illegal with another person, company, etc. in order to deceive people</i>
-----------	-------------------------------------------------------------------------------------------------------------------

- 1.4 The Council can be exposed to fraud and corruption through a variety of internal and external sources. It can involve anyone that is employed by or on behalf of the Council or anyone or group that has a relationship with the Council either as a supplier, contractor, customer, or service user. This means that fraud could be committed by any one of the thousands of people that the Council deals with on a daily basis.
- 1.5 Dorset Council is committed to achieving high standards of integrity and accountability and expects the same commitment from employees and others working for and dealing with the council.
- 1.6 As such, the Council’s Anti-Fraud, Corruption & Bribery Strategy sets out a zero tolerance approach to any such acts and records the Council’s clear commitment to deal with any cases robustly.
- 1.7 We aim to provide an open environment so that anyone can raise issues that they believe to be in the public interest, with the confidence that they will be acted upon appropriately. Therefore, those raising any such concerns are actively encouraged to do so and can have confidence that they will be protected from any detrimental treatment, such as victimisation and/or harassment.
- 1.8 This strategy is in place to send the clearest message to the Council’s stakeholders the importance that the Council places on its responsibility for the effective stewardship and safeguarding of public funds. It sits alongside the Council’s WhistleBlowing Policy and Procedure, which is in place to provide protection from any harassment, victimisation or other detriment to anyone who “blows the whistle” on serious wrong-doing.

**2. Why do we have an Anti Fraud, Corruption & Bribery Strategy?**

2.1 The purpose of this Strategy is for the Council to set out clearly for Councillors, employees, contractors, the Council’s partners and the public:

- Its commitment to tackling fraud, corruption and bribery;

- The actions it promotes to prevent any such acts.
  - The responsibilities of Members and employees in minimising the risk of fraud, corruption and bribery and reporting any suspicions they may have.
- 2.2 We all have a special responsibility for dealing with public funds and assets. The Council takes very seriously its important stewardship role and, as such, is committed to meeting the high expectations and scrutiny to which the affairs of the Council are quite rightly subject.
- 2.3 Proper accountability, achieved through probity, internal control and honest administration is therefore an essential aspect of public service.
- 2.4 Thankfully acts of dishonesty associated with Dorset Council is rare and our zero-tolerance approach provides our clear and continuing commitment to dealing with any acts robustly.
- 2.5 In seeking to eliminate public sector fraud a number of key actions have been pursued and these form an active part of the Council's anti-fraud, bribery and corruption arrangements:
- A Zero Tolerance Approach
  - Collaboration and Data Sharing with other agencies
  - o Better Assessment of risks and measurement of losses
  - o Greater focus on fraud prevention activity
- 2.6 Widely recognised national guidance in terms of an effective fraud strategy provides three key themes to help focus the public sector approach to eliminating fraud. The Council is fully committed to each of these:
- Acknowledge – Establishing a clear recognition and understanding of fraud risks.
  - Prevent – The active prevention and detection of fraudulent activity.
  - Pursue – Being stronger in seeking to punish fraudulent activity and recovering losses.
- 2.7 To ensure success we all need to maintain constant vigilance in order to safeguard the resources with which we are entrusted.

- 2.8 We must raise awareness, deter and identify fraud and seek the support and ownership of others to help us to achieve this. As such, we must provide mechanisms and reporting lines that enable people to raise legitimate concerns.
- 2.9 The principles in this strategy apply to Councillors and all employees of the Council (including school-based staff) and they are designed to clearly communicate to the wider community of Dorset and beyond the Council's clear commitment to the prevention, deterrence, detection and investigation of all forms of fraud, bribery and corruption wherever it is found. As such, the Council's key principles in respect of fraud, bribery and corruption can be summarised as follows:
- Take a zero-tolerance approach to any such matters;
  - Introduce appropriate measures designed to minimise the risk;
  - Operate a procedure to enable genuine concerns to be reported and to protect those who do so;
  - Adopt formal procedures to investigate situations when it is suspected;
  - Aim to reduce losses to an absolute minimum;
  - Work closely with the Police (and other appropriate agencies) to combat fraud and seek appropriate redress through legal proceedings;
  - Use powers to work with others and share information to identify potential areas of concern;
  - Deter people from making malicious or unfounded accusations.
- 2.10 The Council also expects that any individual, associated or outside organisations, including suppliers, contractors and claimants, will act honestly in their dealings with the Council.
- 2.11 Where concern exists that this is not the case, the Council actively encourages any such matters to be reported.

### 3. What is Fraud, Corruption & Bribery?

3.1 **The Fraud Act 2006** created a general criminal offence of fraud and identifies three specific ways in which it can be committed, carrying a maximum penalty of 10 years of imprisonment:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

3.2 The Act also created four related criminal offences of:

- Possession of articles for use in frauds
- Making or supplying articles for use in frauds
- Participating in fraudulent business
- Obtaining services dishonestly

3.3 **The Theft Act 1968 and the Forgery and Counterfeit Act 1981** define offences of:

- Theft
- False Accounting
- Forgery

3.4 **The Bribery Act 2010** defines bribery as “giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.” There are four key offences under the Act:

- Bribery of another person
- Accepting a bribe
- Bribing a foreign public official
- A corporate offence of failing to prevent bribery

3.5 **The Proceeds of Crime Act 2002 and the Terrorism Act 2000** place obligations on the Council and its employees with respect to suspected money laundering and makes it a criminal offence to help a criminal ‘launder’ the proceeds of crime. Money laundering is the disguising of the source of money, either in cash, paper or

electronic form to conceal that the money has originated from crime, or that is to be used in the pursuit of future crime.

**4. The Council’s Approach to Countering Fraud**

4.1 The Council is committed to an effective anti fraud approach designed to reduce losses to fraud by raising awareness to the possibility of fraud taking place.

4.2 The approach is based upon the three key nationally recognised strands:

<p><b><u>ACKNOWLEDGE</u></b> That fraud happens and understanding fraud risks</p>	<p><b><u>PREVENT</u></b> Committed to preventing fraud happening</p>	<p><b><u>PURSUE</u></b> Committed to punishing fraudsters and recovering losses</p>
<p><b><i>The Council will....</i></b></p> <ul style="list-style-type: none"> <li>• Acknowledge and understand fraud risks;</li> <li>• Maintain appropriate awareness and training;</li> <li>• Take action to mitigate any such risk;</li> <li>• Ensure regular review and update of risks;</li> <li>• Maintain a zero tolerance approach and a robust response</li> </ul>	<p><b><i>The Council will....</i></b></p> <ul style="list-style-type: none"> <li>• Ensure roles and responsibilities are clearly defined and understood;</li> <li>• Make effective use of technology to help prevent and detect fraud;</li> <li>• Ensure effective systems and controls are established;</li> <li>• Share &amp; use intelligence to help with prevention and detection;</li> <li>• Be actively vigilant &amp; report concerns.</li> </ul>	<p><b><i>The Council will....</i></b></p> <ul style="list-style-type: none"> <li>• Take immediate action when detection occurs;</li> <li>• Maintain a capability and capacity to investigate;</li> <li>• Make effective use of legislation and civil redress to ensure recovery;</li> <li>• Effectively collaborate with all other public sector organisations;</li> <li>• Publicise successful prosecutions.</li> </ul>

## 5. Reporting Procedure

- 5.1 Although prevention is the most efficient and effective way to address fraud and corruption, it is acknowledged that despite best efforts, the Council may not always be successful in achieving this.
- 5.2 Therefore, if anyone has a reasonable concern or suspicion that any such acts may be occurring, they must report them.
- 5.3 Concerns should be reported, without delay, to a line manager or more senior directorate manager. In the first instance you should normally raise concerns with your line manager. There may though be instances where the seriousness of your concerns, or the suspected involvement of your line manager, means you need to go straight to your head of service or director. In the most serious of cases, or where you do not feel able to raise concerns within your own directorate, then you can also make a direct disclosure to:
- **Chief Financial Officer:** Aidan Dunn
  - **Monitoring Officer:** Jonathan Mair
  - **Chief Executive:** Matt Prosser
- 5.4 The Council's Financial Regulations also specifically require that cases of suspected financial irregularity are reported to the Council's Section 151 Officer / Chief Financial Officer.
- 5.5 Although people are actively encouraged to report their concerns through the internal procedures and can be confident that they can do so with appropriate protection, in rare cases where this is not considered to be possible, then concerns can be raised through the following channels:
- The Council's Confidential 'Fraud Hotline' – 01305 225009
  - External Audit
  - South West Audit Partnership (SWAP)
  - The Police

- 5.6 When cases are reported, the Council is committed to objectively considering the concerns raised and, where appropriate, investigating and/or referring the matter to the appropriate authorities.

## **6. Investigation Process**

- 6.1 The investigation of fraud, corruption & bribery is a complex and specialist area. It is important that any potential evidence that may be associated with the concerns is collected in a way that complies with the relevant legislation and does not compromise actions to be taken if fraud is established.
- 6.2 It therefore, usually, requires the involvement of specially trained staff to either advise, or to consider the requirement for, and/or to conduct, any subsequent investigations. Certain staff have various rights accorded to them under the 'Accounts and Audit Regulations', to access all necessary documents, records and information and to seek explanations from any member of staff.
- 6.3 Any decision to refer an investigation to the Police will be taken by the Council's Section 151 Officer / Chief Financial Officer, in consultation with the Chief Executive.
- 6.4 Officers will be subject to appropriate action, in accordance with the Council's disciplinary procedures, if there is evidence that they have been involved in any such activities in addition to any appropriate criminal proceedings, dependent upon the circumstances and the advice of the Police.
- 6.5 The Council's Communications Team will also need to be consulted and used to help manage any publicity associated with any proven cases. This will include where any financial loss has occurred and actions taken to seek recovery and/or redress. Any such publications will be discussed with the Council's Section 151 / Chief Financial Officer and approved prior to their release.

## **7. Key Roles & Responsibilities**

### **Employees /Councillors**

- Will ensure that any genuine concerns associated with the activities of the Council in respect of any fraud, bribery and corruption are reported.

### **All Managers**

- Will ensure that their members of staff (including agency staff, consultants, contractors, volunteers etc) are aware of and follow approved Council procedures.
- Will ensure any concerns are raised with relevant officers

### **Directors / Chief Executive / Monitoring Officer**

- Will respond to concerns positively and ensure that relevant notifications are reported and acted upon. The Monitoring Officer has a particular responsibility for the Whistle-Blowing Policy and Procedure.

### **Chief Financial Officer**

- Will take overall responsibility for overseeing the appropriate application and adherence to the requirements of the Anti Fraud, Bribery and Corruption Strategy and maintain a record of all such notifications.
- Will provide proactive support and advice to managers as required; including attendance at meetings as necessary.
- Will ensure that this strategy is subject to formal review on a regular basis.

## **8. Summary**

- 8.1 This strategy is in place to ensure that the Council is able to demonstrate its clear commitment to the effective stewardship of public funds in taking a zero tolerance approach to fraud, corruption & bribery.
- 8.2 The strategy aims to reduce the Council's actual and potential losses as a result of fraud, corruption & bribery.
- 8.3 It fully supports the Council's desire to maintain a culture of openness, fairness, trust and dignity.
- 8.4 A copy of the strategy will be placed on the Council's website to ensure that it is available and widely accessible to ensure any concerns can be raised.
- 8.5 The Council has in place a clear framework of systems and procedures to deter and investigate any cases of fraud, corruption and/or bribery. It will ensure that these arrangements are fair, proportionate and regularly monitored and updated to

---

ensure that they keep pace with future developments in prevention, deterrence and detection techniques.

Policy Owner: Marc Eyre, Service Manager for Assurance

Date Approved:

Review Date: May 2025

## Fraud Response Plan

### Elected Councillors

Any information concerning suspected fraud and corruption involving elected councillors must be referred to the Chief Executive, who will refer the matter to the Monitoring Officer. The Monitoring Officer will decide upon the most appropriate method of investigation.

### Employees

The following fraud response approach should be used for incidents involving employees:

**Step 1 – Commencing an Investigation:** Decisions to proceed with an investigation will be made by the Senior Manager, in conjunction with the Chief Financial Officer, Monitoring Officer and Human Resources. A decision will also need to be made at this point as to whether the circumstances require the employee to be suspended from duty.

**Step 2 – Appointment of Investigating Officers:** For each investigation, the first action will be to appoint an Investigating Officer.

*(NB: Further guidance is included in the Disciplinary Procedure)*

**Step 3 – Planning the Investigation:** The Investigating Officer will need to engage and liaise with appropriate professional support (e.g. Internal Audit, HR) to ensure that a clear plan of action is drawn up to guide the investigation process. This will ensure that, as a matter of priority, any relevant and necessary documentary evidence pertaining to the investigation is immediately secured.

**Step 4 – Referral to the Police (or other Agencies):** If the investigation relates to a suspected criminal offence, a decision will need to be made from the outset whether to inform the Police. This decision will be made in conjunction with the Chief Financial Officer and the Monitoring Officer.

**Step 5 – Gathering Evidence:** The Investigating Officer will ensure, in conjunction with their professional support colleagues working on the case, that all evidence of fraud or corruption relating to the case are gathered swiftly, systematically, objectively and in a well-documented manner. The approach will follow requirements as set down in discussion with the Police, including statements and exhibits etc. The Investigating Officer will seek to

ensure that they are kept closely informed of progress and key developments of any Police investigations.

**Step 6 – Progress Reviews:** During the course of the investigation, interim reports will be produced by any professional support colleagues working of the case to provide regular updates on progress and findings. These can be either written or verbal as required. These will help to ensure a close and focused attention to progress.

**Step 7 – Conclude Investigation:** A final report, setting out the findings and conclusions from the investigation, will be produced that may be used by management as a basis for disciplinary action in conjunction with HR.

**Step 8 – Recommendation to Improve System Controls:** The final report will also include any requirements and/or opportunities that have been identified during the investigation process to reduce risk and improve system and controls. Responsible managers will be expected to take the necessary actions to implement these recommendations in a timely manner.

**Step 9 – Recovering Losses:** The Investigating Officer will ensure that all available opportunities are followed to obtain compensation for any losses to the Council, including insurance, voluntary restitution or by compensation claims.

**Step 10 – Communication and/or Press Release:** The decision to issue communications about fraud or corruption cases that have been investigated and proven by the Council will be made in discussions with the Investigating Officer, Chief Financial Officer, Monitoring Officer and Chief Executive. In doing so they will give due consideration, on a case by case basis, to any sensitive and legal issues involved and the need for confidentiality.

# Anti Money Laundering Policy

## Policy summary

<p><b>Purpose</b></p>	<p>This Policy sets out the procedures which must be followed to enable the Council to comply with its legal obligations to combat money laundering. Failure by a member of staff to comply with the procedures set out in the Policy may lead to disciplinary action being taken against them.</p>
<p><b>Scope</b></p>	<p>This Policy applies to all employees of the Council, and Councillors, and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering.</p> <p>It relates to the following legislation: Proceeds of Crime Act 2002; <b>Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017</b></p> <p>It sits alongside the Council's Anti-Fraud, Corruption &amp; Bribery Policy and Strategy and its Whistleblowing Policy and Procedure.</p> <p>It supersedes the Anti-Fraud, Corruption and Bribery Strategy dated 6 February 2019.</p>

**Table of contents**

1) Introduction	P3
2) Scope of the Policy	P4
3) The Council's Approach to Money Laundering - Policy Statement	P4
4) The Money Laundering Reporting Officer (MLRO)	P4
5) Procedures	P5
6) Summary	P6
7) Key Roles and Responsibilities	P7
8) Appendix A – Money Laundering Reporting Form	P9

## 1. Introduction

1.1 **What is money laundering?** Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. The following acts constitute the act of money laundering:

- Concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the Proceeds of Crime Act 2002).
- Entering into or becoming concerned in an arrangement which you know, or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328); or
- Acquiring, using or possessing criminal property (section 329).

These are the primary money laundering offences and are thus prohibited acts under the legislation.

1.2 There are also two secondary offences:

- Failure to disclose any of the three primary offences; and
- Tipping off - This is where someone informs a person or people who are, or are suspected of being involved in money laundering, in such a way as to reduce the likelihood of them being investigated or prejudicing an investigation.

1.3 We all have a special responsibility for dealing with public funds and assets. The Council takes very seriously its important stewardship role and, as such, is committed to meeting the high expectations and scrutiny to which the affairs of the Council are quite rightly subject to.

1.4 While acts of dishonesty across Dorset Councils are rare, we have a zero-tolerance approach to any such acts and are committed to dealing with any acts robustly.

1.5 Any member of staff could potentially be caught by the money laundering provisions, if they suspect money laundering and either become involved with it in some way and/or do nothing to raise their concerns about it. This policy therefore sets out how any concerns should be raised and formally reported.

1.6 While the risk to the Council of contravening the legislation is low, it is important that all employees are familiar with their responsibilities as serious

criminal sanctions may be imposed for breaches of the legislation. The key requirement on employees is to promptly report any suspected money laundering activity to the Council's appointed Money Laundering Reporting Officer (MLRO) (See Section 4)

## **2. Policy Statement**

- 2.1 The Council is fully committed to doing all it can to prevent, wherever possible, the organisation and its staff being exposed to money laundering; to identifying the potential areas where it may occur; and to complying with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.
- 2.2 We cannot stress too strongly, however, that it is every member of staff's responsibility to be vigilant and raise any concerns that they have either directly with the Money Laundering Reporting Officer (MLRO) or their line manager, who must also ensure the concerns raised are lodged with the MLRO.

## **3. Scope of the Policy**

- 3.1 This Policy applies to all employees of the Council, and Councillors, and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering.
- 3.2 The Policy sets out the procedures which must be followed to enable the Council to comply with its legal obligations.
- 3.3 This Policy sits alongside the Council's Anti-Fraud, Corruption & Bribery Policy and Strategy and its Whistleblowing Policy and Procedure.
- 3.4 Failure by a member of staff to comply with the procedures set out in the Policy may lead to disciplinary action being taken against them.

## **4. The Money Laundering Reporting Officer (MLRO)**

- 4.1 The officer nominated to receive disclosures about money laundering activity within the Council is the Chief Financial Officer (Section 151), who can be contacted as follows:
- Chief Financial Officer: Aidan Dunn

4.2 In the absence of the Chief Financial Officer then disclosures should be directed to the Deputy Chief Financial Officer, who can be contacted as follows:

- Deputy Chief Financial Jim McManus Officer

4.3 When cases are reported, the MLRO is committed to objectively considering the concerns raised on behalf of the Council and, where appropriate, investigating and/or referring the matter to the appropriate authorities.

## 5. Procedures

5.1 **Cash Payments** - No payment to the Council will be accepted in cash if it exceeds £5,000. (NB: Cash is defined as including notes, coins or travellers' cheques in any currency).

5.2 **Reporting** - Any employee who suspects money laundering activity must report their suspicion promptly to the nominated MLRO. If you would prefer, you can discuss your suspicions with the MLRO first.

5.3 Employees must follow any direction and/or guidance given by the MLRO and must not themselves make any further enquiries into the matter. They must not take any further steps in any related transaction without authorisation from the MLRO.

5.4 The employee must not disclose or otherwise indicate their suspicions to the person suspected of money laundering. They must not discuss the matter with others or note on the file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation.

5.5 The MLRO must promptly evaluate any disclosure to determine whether it should be reported to the appropriate external authorities.

5.6 The MLRO will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the appropriate external authorities.

5.7 **Identification of Clients** - Where the Council is carrying out 'relevant business' and, as part of this:

- a) forms an ongoing business relationship with a client; or

- b) undertakes a one-off transaction involving payment by or to the client of 15,000 Euros (or the equivalent in Sterling) or more; or
- c) undertakes a series of linked one-off transactions involving total payment by or to the client(s) of 15,000 Euros (or the equivalent in Sterling) or more; or
- d) it is known or suspected that a one-off transaction (or series of them) involves money laundering;

Then the Client Identification Procedure, which follows, must be followed before any business is undertaken for that client.

*(NB: 'Relevant Business' is defined as the provision 'by way of business' of: advice about tax affairs; accounting services; audit services; legal services; services involving the formation, operation or arrangement of a company or trust; or dealing in goods wherever a transaction involves a cash payment of 15,000 Euros or more.)*

- 5.8 **Client Identification Procedure** - Where the 'relevant business' is being provided to another public-sector body, then you must ensure that you have signed, written instructions on the body's headed paper before any business is undertaken.
- 5.9 Where the 'relevant business' is not a public-sector body, then you should seek additional evidence of identity, for example:
  - Checking with the organisation's website to confirm their business address;
  - Conducting an on-line search via Companies House;
  - Seeking evidence from the key contact of their personal identity and position within the organisation.
- 5.10 **Record Keeping** - Where 'relevant business' is carried out then the client identification evidence and details of the relevant transactions(s) for that client must be retained for at least five years.

## 6. Summary

- 6.1 This Policy and Procedure is in place to ensure that the Council is able to demonstrate its clear commitment to the effective stewardship of public funds in taking a zero-tolerance approach to money laundering.

- 6.2 It fully supports the Council's desire to maintain a culture of openness and transparency in its business activities.
- 6.3 A copy of the strategy will be placed on the Council's website to ensure that it is available and widely accessible to ensure any concerns can be raised.
- 6.4 This Policy and Procure provides the Council with a clear framework through which it can both deter and investigate any cases of money laundering. It will ensure that these arrangements are fair and proportionate and a regularly monitored and updated to ensure that they keep pace with future developments in prevention, deterrence and detection techniques.

## **7. Key Roles & Responsibilities**

### **Employees / Councillors**

- Will ensure that any genuine concerns associated with the activities of the Council in respect of any suspected money laundering are reported.

### **All Managers**

- Will ensure that their members of staff (including agency staff, consultants, contractors, volunteers etc) are aware of and follow approved Council procedures.
- Will ensure any concerns are raised with relevant officers

### **Directors / Chief Executive / Monitoring Officer**

- Will respond to concerns positively and ensure that relevant notifications are reported and acted upon.

### **The Money Laundering Reporting Officer (Chief Financial Officer)**

- The Council's appointed Money Laundering Reporting Officer (Chief Financial Officer) has a particular responsibility for the Anti Money Laundering Policy & Procedure.
- The MLRO has overall responsibility for overseeing the appropriate application and adherence to the requirements of the Anti Money Laundering Policy & Procedure and will maintain a record of all such notifications.
- Will provide proactive support and advice to managers as required; including attendance at meetings as necessary.

- Will ensure that this Policy & Procedure is subject to formal review on a regular basis.

Policy Owner: Marc Eyre, Service Manager for Assurance

Date Approved:

Review Date: May 2025

**CONFIDENTIAL**

**A REPORT OF CONCERNS IN RESPECT OF MONEY LAUNDERING ACTIVITY**

To: Chief Financial Officer (Dorset Council Money Laundering Reporting Officer)

From: \_\_\_\_\_

Post Title: \_\_\_\_\_

Section: \_\_\_\_\_

Directorate: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

**DETAILS OF SUSPECTED OFFENCE:**

Name(s) and address(es) of persons involved:

(If a company / public body please include details of the nature of business)

The nature, value and timing of the suspected activity: (Please include full details of the contact with the council - what; where; when; how; and who)

(NB: - Continue overleaf and/or on a separate sheet if necessary)

This page is intentionally left blank

## Audit and Governance Committee Forward Plan 2022/23

Date of Meeting	Item	Purpose / Key lines of Enquiry	Lead Councillor and Officer
<b>18 July 2022</b>			
	Draft Outturn Report	Outturn Report	Officer contact-Jim McManus
<b>26 September 2022</b>			
	SWAP Update Report	Update report	Portfolio Holder – Cllr Spencer Flower Officer contact- Sally White - SWAP
	Review of Agency & Consultancy Spend	Annual Report	Portfolio Holder – Cllr Jill Haynes Officer contact – David McIntosh
	Quarterly Risk Management Update	Update Report	Officer contact- Marc Eyre
	Treasury Management Outturn Report 2021/22	Outturn Report	Officer contact- David Wilkes
	Qtr1 financial management report	Management Report	Officer contact-Jim Mcmanus
<b>14 November 2022</b>			
	Treasury Management Mid-Year Update Report 2022/23	Update Report	Officer contact-David Wilkes
	Dorset Council's Accounts 2021/22	Annual Report	Officer contact- Jim McManus
	Qtr2 financial management report	Management Report	Officer Contact- Jim McManus

16 January 2023			
	SWAP Update Report	Update Report	Portfolio Holder – Cllr Spencer Flower  Officer contact- Sally White - SWAP

27 February 2023			
	Quarter 3 Financial Management Report	Management Report	Officer Contact- Jim McManus

17 April 2023			
	Annual Internal Audit Opinion Report, Planning Report and Audit Charter	Annual Report	Portfolio Holder – Cllr Spencer Flower  Officer contact- Sally White - SWAP

**Other items raised by Audit and Governance Committee requiring further consideration**

Issue	Notes	Date raised
Workforce stress / mental health issues	The committee have raised this as a potential area of work but note that it is linked to current transformation work	At committee on 7 November 2019

<p>How Dorset Council holds and shares information</p>	<p>It is understood that some work is being undertaken in this area.</p> <p>A councillor workshop on the Dorset Council transformation programmes is being held on 10 January 2020. The suggestion is that councillors attend this session and following this, the committee give further consideration to whether any further work is required in this area</p>	<p>At committee on 7 November 2019</p>
<p>Schedule of debt</p>	<p>Jim Mcmanus agreed to produce a schedule of debt and the areas in the Capital Budget funded by borrowing.</p>	<p>At pre-meeting on 8 February 2021</p>

This page is intentionally left blank