



## Audit and Governance Committee

**Date:** Monday, 17 April 2023  
**Time:** 10.00 am  
**Venue:** Council Chamber, County Hall, Dorchester, DT1 1XJ

**Members (Quorum 3)**

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

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

For more information about this agenda please contact Democratic Services  
Meeting Contact [john.miles@dorsetcouncil.gov.uk](mailto:john.miles@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.

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### Agenda

Item		Pages
1.	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
2.	<b>MINUTES</b>	5 - 10
	To confirm the minutes of the meeting held on 27 <sup>th</sup> February 2023.	
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 12<sup>th</sup> April 2023.**

#### **5. MINUTES OF THE AUDIT & GOVERNANCE SUB-COMMITTEE**

To note the minutes of the Audit & Governance Hearing Sub-committee (if any meetings have been held).

#### **6. REPORT OF INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2022/23 - MARCH 2023** 11 - 16

To receive a report by Sally White, Assistant Director SWAP.

#### **7. INTERNAL AUDIT ANNUAL OPINION REPORT 2022-23.** 17 - 34

To receive a report by Sally White, Assistant Director SWAP.

#### **8. APPROACH TO INTERNAL AUDIT PLANNING 2023/24** 35 - 38

To receive a report by Sally White, Assistant Director SWAP.

#### **9. ANNUAL GOVERNANCE STATEMENT- 2022/23** 39 - 88

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

#### **10. APPROACH TO VALUE FOR MONEY** 89 - 96

To receive a report by Aidan Dunn, Executive Director Corporate Development.

#### **11. UPDATE ON EXTERNAL AUDIT**

To receive a verbal update by Ian Howse, Deloitte.

#### **12. WORK PROGRAMME** 97 - 98

To consider the work programme for the Committee.

#### **13. 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.

**14. 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.**

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## AUDIT AND GOVERNANCE COMMITTEE

### MINUTES OF MEETING HELD ON MONDAY 27 FEBRUARY 2023

**Present:** Cllrs Richard Biggs (Chairman), Susan Cocking (Vice-Chairman), Rod Adkins, Bill Pipe, Bill Trite, Belinda Bawden, Simon Christopher and David Gray

**Apologies:** Cllrs Barry Goringe and Robin Legg

**Also present remotely:** Ian Howse, Sally White (Assistant Director SWAP) and Angela Hooper (Principal Auditor SWAP)

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

John Miles (Democratic Services Officer Apprentice), Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Director of Legal and Democratic and Monitoring Officer), Marc Eyre (Service Manager for Assurance), Sean Cremer (Corporate Director for Finance and Commercial), John Sellgren (Executive Director, Place), Susan Dallison (Democratic Services Team Leader), David Trotter (Risk and Resilience Officer), Heather Lappin (Head of Strategic Finance) and Matthew Piles (Corporate Director - Economic Growth and Infrastructure)

102. **Apologies**

Apologies for absence were received from Cllrs Barry Goringe and Robin Legg.

103. **Minutes**

The minutes of the meeting held on 16<sup>th</sup> January 2023 were confirmed and signed.

104. **Declarations of Interest**

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

105. **Public Participation**

There were no public statements and questions to report.

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

No meetings of the Audit & Governance Hearing Sub-committee had been held since the last meeting.

107. **Quarter 3 Financial Management Report 2022/23**

The Head of Strategic Finance introduced the Quarter 3 financial report which had been considered by Cabinet on 23 January 2023 and set out the current financial position and the progress made to date.

The overall forecasted overspend was £8.4 million in Quarter 3, compared to Quarter 2 which was £7.8 million. The main areas of overspend and in-year council rate collection/business rates and sundry debt were covered. The committee was made aware that any continued use of reserves would impact the resilience of the Council. The Council's risk rating had returned to high due to recent economic events; capital spend continues to fall behind, and a detailed review of the existing capital program was being undertaken.

The committee covered matters such as, the update on 10.26 and the high needs block entering a safety valve agreement with department of education, workshops held with department of education to discuss improvements and causes and the development of a recovery plan.

To put the report into context, Matthew Piles, the Corporate Director of Economic Growth, and Infrastructure outlined to the committee the Dorset Travel Budget and highlighted the challenges faced from inflation, fuel, and driver costs.

The procurement bill was subsequently discussed along with, debt management and the review of the capital program.

#### **Noted**

#### **108. Update on the External Audit of 2020/21 and 2021/22 and the Value for Money Opinion for 2020/21**

Ian Howse from Deloitte updated the committee on the external audits 2020-21 and 2021-22.

The committee was informed that the 2020-21 audit had been delayed along with 157 other councils across the country and highlighted that there were issues around infrastructure assets in terms of how they are accounted for and that this was a national problem.

There had been a statutory instrument issued and guidance from CIPFA considered by the council. The reduced disclosures option will be implemented, a review of useful economic lives will result in slight changes in figures to accounts as revised levels of life are applied to some infrastructure assets.

The committee was assured that good progress was being made and the aim was to clear the backlog and conclude the audit 2020-21 in time for next Audit and Governance meeting on 17 April 2023. The 2021-22 audit would be completed alongside the 2021 audit, and that it should be ready to sign by the summer. The aim was to complete the 2022-23 audit by the end of the year.

Taxpayer value for money and delays to audits were covered. It was made clear to the committee that the national audit office set out requirements for auditors on value for money and assessments were at a high level. A process to secure value for money and ensure a balanced budget, set the accounts and to monitor the cost of delivering services must be followed.

The committee was informed that audits were becoming more complex as regulations increased, there were issues across sectors and limited resources available to deliver work on time. But it was ensured that efforts were being made to complete the audits as quickly as possible.

### **Noted**

#### 109. **Appointment of Co-opted Independent Committee Members**

The Service Manager for Assurance outlined a report on the appointment of Co-opted Independent Members to the committee.

The committee was made aware that Co-opted members would meet best practice CIPFA guidelines and supplement existing knowledge and skills.

The committee considered the following three options:

- Option one- Do nothing.
- Option two- Incorporate co-opted independent membership at the earliest opportunity.
- Option three- Incorporate co-opted independent membership following local elections in May 2024.

Concern was expressed regarding the appointment of independent members so close to the next Dorset Council elections and that the new council elected in 2024 should not be encumbered by this decision. Existing external and internal auditors were already being paid for by Dorset Council and co-opted members would cost the council additional money in allowances.

However, further comments were made that it was good practice to have co-opted members, as advised by the LGA. It would be a small cost of £500-£2000 per annum and there would be no compulsion for co-opted members to be paid and could be voluntary. Allowing co-opted members to be members of the committee would add a level of continuity as there may be a number of councillors retiring in 2024.

It was suggested that it would be beneficial to conduct a skills audit of existing committee members to identify the skills already on the committee that could then inform the set of skills required by co-opted members.

Members requested that the term Co-opted Independent Members used in report be amended to Co-opted Members and the Director, Legal and Democratic, agreed with the suggested change.

It was proposed by Cllr Bill Trite and seconded by Cllr David Grey.

### **Decision**

To propose to Full Council that the Committee's constitution is changed to incorporate two co-opted members, at the earliest opportunity.

### **Reason for decision**

To ensure that the Committee has the appropriate level of technical expertise to perform its role as set out in its terms of reference.

## 110. **Review of Public Participation Rules**

The Democratic Services Team Leader introduced a report on a review of the Public Participation Rules.

The committee was advised that any decisions to amend procedure rules will have to be recommended to Full Council as it was a change to the Constitution.

Concerns were raised about limiting public participation to 8 questions in 30 minutes and how this could restrict public participation.

Members also discussed how Dorset Council enabled people to attend meetings, submit questions and attend remotely. The importance of encouraging participation from the public was highlighted.

As an amendment it was proposed by Cllr David Grey and seconded by Cllr Belinda Bawden that in exceptional circumstances the Chairman of Council to have the discretion to allow more than 8 questions.

On being put to the vote the amendment was CARRIED

### **Recommendation to Full Council**

That the Procedure Rules for Public Participation be amended as follows:

- (a) That the Council accepts the first 8 questions and the first 8 statements received from members of the public or organisations for each Full Council meeting on a first come first served basis in accordance with the current deadline for receipt of questions and statements;
- (b) That, in exceptional circumstances the Chairman of Council has discretion to allow more than 8 questions.
- (c) That any questions received over the first 8 questions, the resident or organisation will be asked if they wish to receive a written response from the Portfolio Holder;
- (d) That members of the public or organisations can submit a maximum of 1 question or 1 statement at each meeting of the Full Council;
- (e) That each question or statement submitted be up to a word count of 450 and the response from the Portfolio holder be a maximum of 300 words;
- (f) That statements received by residents or organisations be published, in full, before the Full Council meeting as a supplement to the agenda and published, in full, as an appendix to the minutes but will not be read out at the Full Council meeting to allow more time for questions and responses.

### Reason for Decision

To enable the Chairman of Council to manage the half hour public participation period effectively and allow each person who submits a question to read out the question in full and receive a response.

## 111. **Work Programme**

The Audit 2021 accounts to be added to the work programme.



112. **Urgent items**

There were no urgent items to report.

113. **Exempt Business**

There were no exempt items to report.

**Duration of meeting:** 10:00- 11:36

**Chairman**

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# Dorset Council

## Report of Internal Audit Activity

### Progress Report 2022/23 – March 2023

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## 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  
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**Angie Hooper** Principal Auditor  
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**SWAP is an internal audit partnership covering 26 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 final update report for 2022/23 financial year. As this update can be viewed together with information provided within the Internal Audit Annual Opinion Report this update report has been shortened to contain essential elements only.

Since our last progress report in January 2023, we have issued **one Limited** assurance opinion on the areas and activities we have been auditing. This Limited assurance has also been classified as a significant risk. Further details on this can be found below.

#### **Significant Risks**

SWAP has undertaken an audit of **Response to Climate Emergency** to provide assurance that the Council has appropriate plans and structures in place to work towards its aim of achieving net zero by 2040. Whilst the audit has acknowledged that significant progress has been driven by a small team in a short timeframe, achieving carbon neutrality across the council's operations by 2040 will require clear governance and corporate ownership for the response to the climate and ecological emergency to be embedded throughout the Council's workforce. We have highlighted that the scale and maturity of the resourcing, service prioritisation and governance models in place at the time of our work, were not sufficient to ensure that the response to the climate emergency continues at the pace required.

It has not been possible to provide reasonable assurance on the likelihood of the council reaching its net zero target without plans in place to gain a comprehensive understanding of localised carbon emissions. There are known and longstanding issues and limitations with the data provided by services to calculate the council's carbon footprint. This impacts the reliability in some areas of reporting against the short-term target to reduce total emissions from the 2019 baseline by 40% by 2025. It could be challenging to validate achievement of this target. However, of equal concern is the absence of a corporate plan and capacity to identify the relevant 'Scope 3' indirect emissions, including those relating to supply chain, partner services and working from home, which contribute towards the 2050 net zero target for the Dorset Area. In addition to expertise, this will require a substantial and joined up cross-directorate effort.

We concluded our work towards the end of 2022 and we acknowledge the importance that the Council has placed on our findings and are aware that work has already started at pace to address a number of the key

issues raised in our report. The following is an update provided by the Corporate Director on progress towards implementation of some of the key concerns arising from the review work as follows:

*The governance of the climate and ecological programme has matured significantly, although it should be added that there was strong member-led governance in place through the Executive Advisory Panel (EAP) when the programme was first set up, and one of the first commitments of the new council was to declare a climate and ecological emergency. There is now an operational group that monitors and measures progress against the delivery programmes required to decarbonise the council's operations, and this feeds into a CLT subgroup that provides strategic, cross-organisational leadership. Additionally, the progress of the programme is reported twice yearly to the Place and Resources Scrutiny Committee and is also reported to cabinet twice yearly as well to ensure that there is robust member oversight.*

*Given the tight financial landscape within which Dorset Council operates, it is testament to the commitment of the council that the size of the team has increased from 2.0 FTEs to 9.0 FTEs during the period between March 2021 and March 2023, which is enabling a more comprehensive approach to be taken to tackle areas such as data quality and access. Significant additionally resources have been sourced from the programme management and communications team to support the work of the programme, and officers from multiple services are dedicating significant amounts of time to this work. Additionally, the team has been moved into corporate services, which should allow for greater alignment with the council's priorities and how change is driven across the organisation. This is all matched to a £10m council capital programme that is driving the work of the operational group, and this is part of a wider programme of work that is worth well in excess of £50m with a mixture of council, private and government funding. This includes delivering on of the largest Public Sector Decarbonisation schemes in the country, with a value of just under £19m that has reduced the council's corporate estate emissions by around 20%.*

*Service prioritisation has improved, with the corporate director for the programme now a corporate consultee on all committee papers. A new decision-making process is also due to go to cabinet on March 28 that will completely change the way climate and environmental considerations will be built into all Dorset Council decision making. This is accompanied at cabinet by a new natural environment, climate and ecology strategy, and an associated climate local position paper from the planning team. These are fundamental and, in some instances, nationally leading initiatives that will put Dorset Council in a very strong position moving forward to working towards our operational and facilitation roles.*

*The sustainability team follows the BEIS (now Department for Energy Security and Net Zero) methodology for measuring carbon emissions of the council. While there remain some data quality and access issues, a member of staff is now working on collating the required data strands to ensure that the ongoing measuring and monitoring is of the highest standards possible. This is a challenge that is not unique to Dorset, and the current way of measuring emissions is nationally recognised and adhered to.*

*Led by Dorset Council, a new Public Sector Decarbonisation and Ecology group is now in existence, which is working towards a unified governance structure to drive delivery across the public sector organisations within the county. Additionally, there is now regular engagement with town and parish councils (mostly focussed on those that have declared), and continued engagement with community groups such as Zero Carbon Dorset is ongoing.*

*The main areas of challenge remain in scope 3 emissions. Good progress has been made in discussions with procurement colleagues, but a greater level of work is still required to understand the supply chain impact throughout Dorset, how commissioning and procurement practices can change over time, and how engagement and education can help to drive change behaviours. Additional work is still required to understand some operational challenges in certain services, but this remains an ongoing focus.*

SWAP will be undertaking follow up work to validate the progress detailed above and will report outcomes to the July meeting.

### **Update on Premises related Health and Safety**

Since our last report, the Council has provided an update on progress towards implementation of some of the key concerns arising from the review work as follows:

*The Council has commissioned an independent report and review by Public Intelligence which is focused on the Council's position with regards to Corporate Landlord as this has yet to be rolled out. Each asset will be allocated a Responsible Officer and appropriate training will be implemented, with both being centrally recorded on Tech Forge. Until the full roll-out of this, each Dorset Council owned property asset has a property surveyor allocated to provide a custodian function in supporting the occupier/tenant.*

*A Dorset Council Asbestos Management policy has been established. Working in conjunction with an external specialist, a review of asbestos management surveys has been undertaken and missing surveys have*

## Executive Summary

*commenced. Since December, the Council has made good progress with the appointment of a new contractor to complete PAT testing.*

*A full review has now been completed identifying all statutory obligations currently fulfilled within service contracts. This has been quantified and is now monitored and reported monthly. Initial communications have started with some of the Council's highest risk tenants, including Care Dorset and Schools.*

SWAP will be undertaking a formal follow up review during June and will report the outcomes to the July Committee meeting.

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# Dorset Council

## Internal Audit Annual Opinion Report 2022-23

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## Internal Audit Annual Opinion – 2022/23: ‘At a Glance’



**Reasonable internal audit opinion provided;**

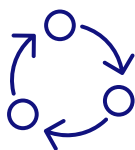


**At least some internal audit work across each of the Council’s corporate risk themes;**



**Eight Limited assurance opinions issued with two of these identified as a Significant Risk;**

(Appropriate actions have been planned in all instances and in regard to the significant risks we will report once we believe that risks have been adequately mitigated)



**Process of continuous follow up of agreed actions continues to substantially reduce numbers of outstanding overdue actions.**

# Executive Summary

**Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.**

**\*Across the next year the Institute of Internal Auditors (IIA) is planning a change to the current *International Professional Practices Framework (IPPF)* which will ultimately be known as *The Global Internal Audit Standards*. The Internal Audit Charter, which is reviewed annually by this committee, and guides the work of internal audit is based around the existing IPPF. SWAP is contributing to the consultation on the proposed new Global Internal Audit Standards. As such SWAP will be reviewing the Charter as further information becomes available from the IIA and will bring a revised charter to the committee for approval later in the year. In the meantime, we will continue to operate in accordance with our existing charter.**



## Purpose

The Head of Internal Audit should provide a written annual report to those charged with governance to support the authority's Annual Governance Statement (AGS). This report should include the following:

- an opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment;
- disclose any qualifications to that opinion, together with the reasons for the qualification;
- present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
- provide the opportunity to review the work actually undertaken during the year, and summarise the performance of the internal audit function against its performance measures, criteria and standards;
- comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content.



## Background

The Internal audit service for Dorset Council is provided by the SWAP Internal Audit Services. SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. Internal audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. This report summarises the activity of SWAP for the 2022/23 year.

*\*Internal audit work is guided by the Internal Audit Charter which is reviewed annually.*

The Assistant Director is required to provide an opinion to support the Annual Governance Statement.



## Annual Opinion

I have considered the balance of 2022/23 audit work for Dorset Council, enhanced by the work of external agencies and am able to offer **Reasonable Assurance** in respect of the areas reviewed during the year, as most were found to be adequately controlled. Generally, risks are well managed, however whilst some areas require the introduction or improvement of internal controls to ensure the achievement of the Council’s objectives; the robust approach to implementation of audit actions has been part of the considerations in forming this annual opinion. During the year, **two limited assurance significant corporate risks** have been reported to the committee (note: one has been reported in the March update report). Whilst internal audit has not yet been able to report that these risks have been adequately mitigated, we will continue to monitor and will report back to the committee during the course of the 2023/24 year. Furthermore, during the year we reported an additional **six limited assurance opinions**.

Whilst the day-to-day impacts of the COVID pandemic feel like they are behind us now, during the first half of the year, our work has been punctuated by the need for demand driven COVID related grant certifications. However, this has very much lessened during the second half of the year which has enabled us to continue our process of working with Directorate Management Teams in order to identify priority internal audit work through a process of risk assessment.

The table at [Figure 1](#) below, captures our audit coverage this year, mapped against the Authority’s corporate risk themes. Furthermore, we have then overlaid the audit assurance outcomes of those risk areas that we have reviewed. The table demonstrates that we have provided some level of audit work across all the areas of corporate risk themes during the last year.

# Executive Summary

Internal audit coverage should be aligned to key corporate priorities and key corporate risks.

Figure 1 highlights our assessment of internal audit coverage against the corporate risk themes within 2022/23.

**Figure 1: Audit Coverage by Corporate Risk Theme**

Corporate Risk	Coverage	Assurance assessment based on completed internal audit work
CR01 - Finance	Good	Reasonable
CR02 - Compliance	Good	Reasonable
CR03 - Health, Safety & Wellbeing	Adequate	Limited
CR04 - Communities	Good	Limited
CR05 - Digital & Technology	Some	Substantial
CR06 - Safeguarding	Some	Reasonable
CR07 - Transformation	Some	Limited
CR08 - Workforce	Adequate	Reasonable
CR09 - Political & Leadership	Some	Limited
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

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
In progress	Work is currently ongoing
Non-Assurance Audit Work	Audit work undertaken does not result in an audit opinion being delivered such as advisory or grant certification work, but such work can contribute to internal audit's annual opinion

## Implementation of Agreed Actions

**It is the responsibility of internal audit to establish a process to monitor and ensure that management actions have been effectively implemented.**

## Risks Accepted

**Where control weaknesses have been brought to the attention of senior management and a decision is taken by them to accept the risk and not implement remedial action this should be brought to the attention of the Audit Committee.**

## Implementation of Agreed Actions and Risks Accepted

Members will recall that for some while SWAP was expressing some concerns around the percentage of high priority (priority 1 and 2) actions that were not implemented at the time of our follow up audits, despite the implementation date having passed. As a result, SWAP committed to introduce a new process of follow up which embedded the responsibility of ensuring the implementation of agreed audit actions within directorates themselves and tracked the progress of implementation on a continuous basis.

This new process has been in place for over a year now. We have had valuable support from the Council's Senior Leadership Team which has been key to developing a culture where implementation of agreed audit actions is becoming a priority across the whole organisation. We regularly report to this committee, metrics around the outcomes of follow up work and across the past year the number of overdue priority 1 & 2 audit actions has reduced significantly from 34 in our June 2022 report (17 of which were more than 365 days overdue) to just four when we reported to the committee in January.

You will be aware of the **Action Tracker** which can be viewed by clicking on [this link](#). The tracker will show the latest position on overdue actions. We are now regularly reporting this to the committee as part of internal audit's performance measures and is included as part of the council's suite of performance indicators.

It is recognised that there will be occasions where audit make recommendations to mitigate risk exposure and after consideration of the proposed action, the service decide to accept the risk. On a positive note, for the second year in succession there were no audit actions that were 'risk accepted' during 2022/23. We believe that instances of risk acceptance are likely to have been mitigated by the collaborative and inclusive agile auditing approach now used by the SWAP team.

# Audit Outcomes

## Summary of Audit Opinions

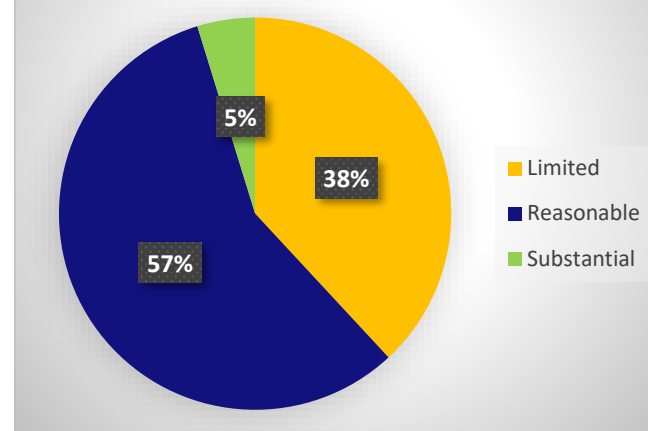
At the conclusion of an audit assurance assignment each review is awarded an Audit Assurance Opinion:

- **Substantial** – A sound system of governance, risk management and control exists
- **Reasonable** – There is a generally sound system of governance, risk management and control in place
- **Limited** – Significant gaps, weaknesses or non-compliance were identified
- **No** – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified

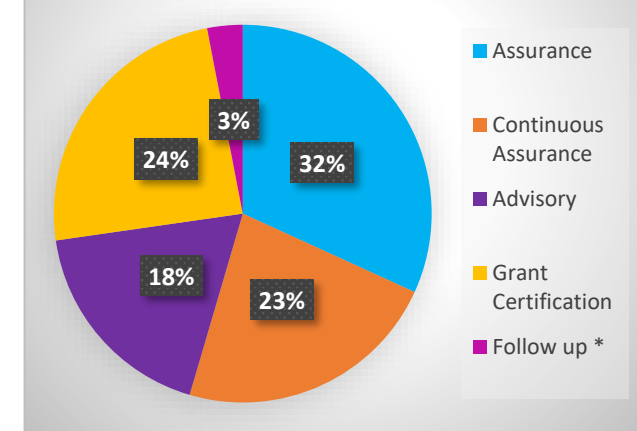


## Summary of Audit Opinions and Audit Work by Type

**Table 1: Summary of Audit Opinions**



**Table 2: Audit Work by Type**



*\*Percentage of follow up work is low due to the successful implementation of new follow up process*

Table 1 above indicates the spread of assurance opinions across our work completed during the past year. The Council’s willingness and openness to identify areas for review naturally results in a larger number of Limited Assurance opinions and provides assurance that SWAP is focussing its limited resources in the correct areas.

Table 2 indicates the audit work by type. Whilst assurance work is the main focus of internal audit, in an ever-changing landscape, internal audit has the knowledge and skills to be able to provide advisory work that supports the organisation in understanding these changes. In addition, there continues to be a greater requirement for grant certification work, mainly due to the continuing number of COVID related government grants available to the council and the requirement for the Head of Internal Audit to provide certification of these grant awards.

## Value Added

**'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.'**



## Value Added

Throughout the year, SWAP strives to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.

### **CIFAS data Matching**

SWAP has paid an annual subscription of £14,728 for 2022/23 to enable Dorset Council to be part CIFAS. This data matching service will help the Council to both prevent and detect fraud. SWAP, working with both CIFAS and the council have facilitated data matching work in the following areas across the Council:

- Human Resources – Agency Staff
- Adult Services – Shared Lives Carers
- Adult Services – All Service Users
- Corporate Development – Contractors

Data matching has been successfully up and running within the Council's Insurance team for some months now with a positive impact being identified with the number of speculative insurance claims having reduced. SWAP is currently exploring the potential use of CiFAS within Children's Services.

### **Benchmarking, Surveys and Data Analytics**

During the year as part of our audit work, we have looked to provide additional information on top of our standard audit report. This might be benchmarking across the SWAP partnership or the wider reach of the Chief Internal Auditors Network. Undertaking surveys across appropriate internal groups to further evidence and enhance our work and using the SWAP's Data Analytics team to undertake analysis and enhance the way in which this is presented to the Council. Examples of this added value work are:

- Climate Emergency – Benchmarking information obtained across the Chief Internal Auditors Network.
- Risk Management – Undertaking a survey across senior managers to inform our findings. The Survey responses were provided as part of our reporting.
- Debt Recovery – Analysis and presentation of data was provided as part of the reporting process.
- Commissioning of Alternative Provision – Analysis and presentation of data analysis as part of our reporting.



- Schools –A Power BI dashboard of school’s SFVS returns provided to the Schools Finance Team to assist in the identification of outliers and unexpected data.
- Finance/ HR system - Comparison work of systems used by other councils.

### **Regular updates**

To help key officers in the Council keep abreast of changes SWAP produces a monthly newsletter that provides information on topical areas of interest for public sector organisations.

### **Counter Fraud Team**

SWAP’s Counter Fraud team have been providing specialist fraud expertise during the year, along with some fundamental fraud assessment work to help our partners strengthen their resilience to fraud. Furthermore, the team also provide regular fraud bulletins to our partners on the latest intelligence on fraud targets.

# Audit Performance 2022/23

The Chief Executive of SWAP reports overall performance of the company on a regular basis to the SWAP Board of Directors.



## SWAP Performance

SWAP's performance is subject to regular monitoring and review by both the Board of Directors and Owners Board. The performance for Dorset Council for the 2022/23 year is as follows:

Performance Target	Performance Outturn
<p><b>Value to the Organisation</b></p> <p>Client view of whether our audit work met or exceeded expectations, in terms of value to their area across 22/23 year</p>	100%
<p><b>Implementation of audit actions</b></p> <div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p>Overall Total Number of Overdue Open Priority 1s &amp; 2s</p> </div> <div style="width: 45%;"> <p>Overall Total Number of Overdue Open Priority 1s &amp; 2s</p> </div> </div> <p>There has been a clear reduction in overdue priority 1 and 2 agreed audit actions since the introduction of our new process of tracking implementation. However, the figures have plateaued across recent months, and it is understood that a new measure is to be reported to SLT of the number of days that an action is overdue which it is hoped, will help to bring some long overdue actions to an appropriate conclusion.</p>	

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice Framework of Internal Auditing as set by the Institute of Internal Auditors and further guided

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

by interpretation provided by the Public Sector Internal Audit Standards (PSIAS). Both standards require an Internal and External Assessments (Standard 1300) of the Internal Audit function.

The standards require an External Assessment to be carried out at least every five years. SWAP exceeds this with an assessment undertaken every three years. The latest assessment undertaken in March 2020 found SWAP to be 'Generally Conforming' with the International Professional Practices Framework and the Public Sector Internal Auditing Standards (PSIAS) and is the highest level of performance awarded. A summary of the report was reported to the Audit & Governance Committee in October 2020. As a result of the External Assessment, a Quality Assessment Improvement Plan (QAIP) is produced and maintained. This document is a live document, reviewed regularly by the SWAP Board to ensure continuous improvement. As the International Professional Practices Framework is currently under review, SWAP is considering when it will undertake its next External Assessment which is not formally required until March 2025.

## Summary of Internal Audit Work 2022/23

The schedule below contains the audit work undertaken in 2022/23, along with the respective outturn. Alternatively, to view the [live audit tracker](#) please go to the Dorset Council Teams site. By visiting the Audit Channel under files, you should be able to view all our audits on a continuous live basis.

At the conclusion of audit assignment work each review is given an Audit Assurance; a summary of the assurance levels is as follows:

- Substantial – A sound system of governance, risk management and control in place
- Reasonable – A generally sound system of governance, risk management and control in place
- Limited – Significant gaps, weaknesses or non-compliance were identified
- No Assurance – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
<b>Assurance/Targeted Follow up Work</b>							
Operational	Freedom of Information Requests	Final	Medium Reasonable	4	0	0	4
Operational	Recovery of Debt (Post Covid-19)	Final	Low Limited	14	1	9	4
Operational	Recovery of Debt (Post Covid-19) – Follow up 1	Final	N/A	9	1	5	3
Operational	Recovery of Debt (Post Covid-19) – Follow up 2	Final	N/A	3	0	2	1
Operational	Workforce Planning - Highways and Coastal Engineering Staff	Final	Low Reasonable	5	0	0	5
Operational	Residential Children’s Homes	Final	High Limited	6	0	2	4
Operational	Revenues and Benefits	Final	Medium Reasonable	7	0	1	6
Operational	Use of Social Media by the Council	Final	Medium Reasonable	5	0	0	5
Operational	Main Accounting Annual Assurance	Final	Medium Reasonable	4	0	0	4

## Summary of Internal Audit Work 2022/23

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Operational	Adult Safeguarding	Final	High Reasonable	2	0	0	2
Operational	Risk Management	Final	Medium Limited	12	0	6	6
Operational	Achievement of Savings Targets	Final	High Limited	7	0	2	5
Operational	Commissioning of Alternative Provision	Final	High Limited	13	0	8	5
Operational	Wide Area Network Provision	Final	Low Substantial	3	0	0	3
Operational	Capacity in Services to Support Transformation	Final	High Limited	7	0	2	5
Operational	Premises Related Health and Safety	Final	Low Limited	9	2	6	1
Operational	Treasury Management	Final	High Reasonable	2	0	0	2
Operational	Lessons Learned from SEND Tribunals and Appeals	Final	Low Reasonable	11	0	2	9
Operational	MTFP, Budget Planning and S151 Assurance Statement	Final	Low Reasonable	9	0	3	6
Operational	Highways Health and Safety	Final	Medium Reasonable	4	0	0	4
Operational	Climate Emergency	Final	Low Limited	8	2	6	0
Operational	Employee Expenses	Final	Medium Reasonable	4	0	1	3
Operational	Main Accounting Annual Assurance	Final	Medium Reasonable	6	0	0	6

## Summary of Internal Audit Work 2022/23

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 =	↔	3 =
					Major		Medium
					Recommendation		
<b>Advisory Work</b>							
Operational	Reserves Benchmarking	Final	Advisory				
Operational	CiFAS (Internal Fraud Database) – New Agency Staff	Final	Advisory				
Operational	CiFAS (Internal Fraud Database) – Adults Shared Lives	Final	Advisory				
Operational	CiFAS (National Fraud Database) – Adults all Service users	Final	Advisory				
Operational	CiFAS (National Fraud Database – Contractors	Final	Advisory				
Operational	Duplicate Payment Check	Final	Advisory				
Operational	Finance/HR Comparison Work	Final	Advisory				
Operational	SFVS Data Analysis	Final	Advisory				
Operational	Fraud Risk Assessment	Final	Advisory				
Operational	Property Strategy and Asset Management Plan	Final	Advisory				
Operational	Dorset Centre of Excellence	Final	Advisory				
Operational	Fraud Baseline Assessment (follow up of previous work in 21/22)	Final	Advisory				
<b>Grant Certification</b>							
Grant Certification	Covid-19 Bus Services Support Grant	Final	Grant Certification				
Grant Certification	Protect and Vaccinate Grant 31/5912	Final	Grant Certification				

## Summary of Internal Audit Work 2022/23

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 =	↔	3 =
					Major		Medium
					Recommendation		
Grant Certification	Supporting Families Grant Certification – May Claim	Final	Grant Certification				
Grant Certification	Supporting Families Grant Certification – July Claim	Final	Grant Certification				
Grant Certification	Supporting Families Grant Certification – Sept Claim	Final	Grant Certification				
Grant Certification	Supporting Families Grant Certification – Dec Claim	Final	Grant Certification				
Grant Certification	Supporting Families Grant Certification – March Claim	Final	Grant Certification				
Grant Certification	LEP Gateway Grant Review	Final	Grant Certification				
Grant Certification	Contain Outbreak Management Grant 31/5411	Final	Grant Certification				
Grant Certification	Test and Trace Grant	Final	Grant Certification				
Grant Certification	LEP Peer Networks Grant	Final	Grant Certification				
Grant Certification	DLEP Peer Networks Grant	Final	Grant Certification				
Grant Certification	Test and Trace Support Scheme 31/5789	Final	Grant Certification				
Grant Certification	Restart Grant	Final	Grant Certification				
Grant Certification	Universal Drug Treatment Grant	Final	Grant Certification				

## Summary of Internal Audit Work 2022/23

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 =	↔	3 =
					Major		Medium
					Recommendation		
					1	2	3
Grant Certification	Adult Weight Management Grant	Final	Grant Certification				
<b>Continuous Assurance</b>							
Operational	Main Accounting (Quarter 3 2021/22)	Final	Continuous Assurance				
Operational	Main Accounting (Quarter 4 2021/22)	Final	Continuous Assurance				
Operational	Main Accounting (Quarter 1 2022/23)	Final	Continuous Assurance				
Operational	Main Accounting (Quarter 2 2022/23)	Final	Continuous Assurance				
Operational	Main Accounting (Quarter 3 2021/22)	Final	Continuous Assurance				
Operational	Accounts Receivable (Quarter 4 2021/22)	Final	Continuous Assurance				
Operational	Accounts Receivable (Quarter 1 2022/23)	Final	Continuous Assurance				
Operational	Accounts Receivable (Quarter 2 2022/23)	Final	Continuous Assurance				
Operational	Disclosure and Barring Service (Quarter 3 2021/22)	Final	continuous Assurance				
Operational	Disclosure and Barring Service (Quarter 4 2021/22& 1 2022/23)	Final	Continuous Assurance				
Operational	Disclosure and Barring Service (Quarter 2 2022/23)	Final	Continuous Assurance				



## Summary of Internal Audit Work 2022/23

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	Recommendation		
					1 = Major	↔	3 = Medium
					1	2	3
Operational	Disclosure and Barring Service (Quarter 3 2022/23)	Final	Continuous Assurance				
Operational	Accounts Payable (Quarter 4 2021/22)	Final	Continuous Assurance				
Operational	Accounts Payable (Quarter 1 2022/23)	Final	Continuous Assurance				
Operational	Accounts Payable (Quarter 2 2022/23)	Final	Continuous Assurance				
<b>Work In Progress</b>							
Operational	Revenues and Benefits Continuous Assurance – Q3	In Progress					
Operational	IT Application Portfolio Management	In Progress					
Operational	Fostering Service Panel Processes	In progress					
Operational	Compliance with GDS Standards	In Progress					
Operational	Homelessness Front Door Services	In progress					
Operational	Payroll	In Progress					
Operational	Lessons Learnt from FOI's and Tribunals (Counter Fraud Team)	In Progress					
Operational	Data Quality and Information Governance	In Progress					
Operational	Procurement Cards	In progress					
Operational	Accounts Receivable Continuous Assurance – Q3	In Progress					

## Summary of Internal Audit Work 2022/23

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Operational	Accounts Payable Continuous Assurance – Q3	In Progress					

# Dorset Council

## Approach to Internal Audit Planning 2023/24

Page 35

Agenda Item 8

The work of internal audit should align strategically with the aims and objectives of the organisation; taking into account key risks, operations and changes. In order to do this Internal Audit needs to be flexible in adapting audit plans to handle rapidly changing risks, priorities and challenges.

It is the responsibility of the Senior Leadership Team, and the A&G Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.

\* Across the next year the Institute of Internal Auditors (IIA) is planning a change to the current *International Professional Practices Framework (IPPF)* which will ultimately be known as *The Global Internal Audit Standards*. The Internal Audit Charter, which is reviewed annually by this committee, and guides the work of internal audit is based around the existing IPPF. SWAP is contributing to the consultation on the proposed new Global Internal Audit Standards. As such we will be reviewing the Charter as further information becomes available from the IIA and will bring a revised charter to the committee for approval later in the year. In the meantime, we will continue to operate in accordance with our existing charter.

### Approach to Internal Audit Planning 2023/24

Over the past three years, since the start of the COVID pandemic, SWAP has been building on delivering a fully flexible and responsive approach to audit planning. The pandemic brought with it the need to be able to adapt, re-prioritise and shift focus and whilst traditionally internal audit functions have delivered annual audit plans, the need for flexibility in an ever-changing landscape has demanded a different approach to audit planning. Our planning ensures that we are supporting the Council by collaboratively aligning our work to the Council's aims, objectives and key risks. This helps to ensure that we are auditing the right things, at the right time; enabling us to provide insight and value when and where it is required.

A traditional annual audit plan is subject to a high degree of uncertainty and change, and as such we build our plan in conjunction with management as the year progresses. We believe this approach has worked well over the past three years and has earned the support of both senior management and the audit committee. As such we propose to continue with this planning approach in 2023/24 and to further develop our risk assessment and rolling planning process within directorates.

The resulting programme of work will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP, driven by our continuous risk assessment. This risk assessment will be based on the live status of both the Council's strategic and service risk registers, as well as the Council's performance management data. Overlaid onto this assessment will be SWAP's sector-wide top 10 risk areas, and consideration of the eight strands of our 'Healthy Organisation' framework. The results of our risk assessments will be regularly shared with Senior Management in Directorates through our Audit Business Partners to obtain their view on the value of internal audit involvement in identified areas. In developing risk assessments, we will also take account of other sources of assurance, where relevant.

As the year progresses, we will update the committee through our usual quarterly update report on internal audit activity. It will be through this process and through regular access to the [rolling audit plan](#) that the Senior Leadership Team and Audit & Governance Committee members will be able to assess whether the audit work building throughout the year provides sufficient and appropriate coverage of key risks.

**Delivery of an internal audit programme of work that provides sufficient and appropriate coverage of key risks, will enable us to satisfy our requirement to provide a well-informed and comprehensive year-end annual internal audit opinion. \*Our audit work is governed by our Internal Audit Charter and complies with the International Professional Practices Framework of the Institute of Internal Auditors.**

## Internal Audit Planning 2023/24: The Approach

We would encourage SLT and the Audit & Governance Committee to regularly review our live audit plan to assess our rolling internal audit coverage.

This will help to confirm:

- That the internal audit plan builds throughout the year to provide adequate coverage of the key risks faced by the organisation
- That sufficient assurance is being received to monitor the organisation's risk profile effectively; and
- That the areas included on the Future Proposed Audits remain appropriate, with an accurate priority and risk assessment.



### A Rolling & 'Live' Programme of Audit Work

Throughout 2022/23 we have continued to use our live [rolling plan document](#) which is held on the Council's Audit, Fraud and Risk Management Teams site.

This document provides an assessment of how our audit work is building throughout the year to enable SWAP to provide an annual opinion on the Council's governance, risk management and control environment. The continuous risk assessment and planning approach highlighted above, aims to ensure that we have a reasonable and equitable spread of work covering the Authority's key risk themes and a table demonstrating the audit coverage and assurances can be found on the first tab.

The rolling plan document contains all work we have completed across the year, and any work that is in progress along with the status of that work.

The final key tab is the 'Future Proposed Audits'. This is our rolling audit plan and details audit work that we plan to undertake in future, along with an assessment of the priority and timing of that work.

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 26 public sector partners.

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector Partners
- Regular updates containing emerging issues, risks and fraud alerts identified across the SWAP partnership and beyond

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Exceed expectations;
- Be pragmatic and focus on what matters;
- Be inventive and offer creative solutions;
- Be visible and responsive



## Your Internal Audit Service

### Audit Resources

The 2023/24 internal audit programme of work will be equivalent to 1,327 days, as agreed by the S151 officer and Service Manager for Assurance. Across the past two years there has been a 25% reduction in the audit days however there is no proposed reduction for 2023/24.

The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the expected work. We would encourage alternative sources of assurance should be sought/ identified where internal audit coverage of key risks has not been undertaken.

The key contacts in respect of your internal audit service for Dorset Council are:

**Sally White, Assistant Director** – [sally.white@swapaudit.co.uk](mailto:sally.white@swapaudit.co.uk), 07720312469

**Angie Hooper, Principal Auditor** – [angela.hooper@swapaudit.co.uk](mailto:angela.hooper@swapaudit.co.uk) 07536 453271

### External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF).

Every three years (which is more regular than the required five yearly assessment), SWAP is subject to an External Quality Assessment (EQA) of Internal Audit Activity. The last of these was carried out in March 2020 which confirmed 'General Conformance' with the IPPF. SWAP is currently considering when it will undertake its next External Assessment which is not formally required until March 2025.

### Conflicts of Interest

We are not aware of any conflicts of interest within Dorset Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

### Our Reporting

A summary of internal audit activity will be reported quarterly to Senior Leadership Team (SLT) and the Audit & Governance Committee (*as well as our detailed audit tracker highlighted above being available throughout the year*). Our reporting to SLT and the Audit & Governance Committee will include any significant risk and control issues, governance issues, and other matters that require the attention of SLT and/or the Audit & Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

## Audit and Governance Committee

17 April 2023

## Annual Governance Statement – 2022/23

### 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	David Trotter
Title:	Service Manager for Assurance	Risk & Resilience Officer
Tel:	01305 224358	01305 228692
Email:	<a href="mailto:marc.eyre@dorsetcouncil.gov.uk">marc.eyre@dorsetcouncil.gov.uk</a>	

**Report Status:** Public

**Brief Summary:** The Accounts and Audit (England) Regulations 2015 require a body such as the Council to “approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.” The attached draft Annual Governance Statement (AGS) for 2022-23 sets out key features of the governance framework in place in the Authority and provides a review of its effectiveness. It has been prepared in line with the recommendations published by CIPFA and SOLACE, which were revised in 2016. It should be noted that the Local Code of Corporate Governance and schedule of High risks are included as Appendices to the Annual Governance Statement.

The “Review of Effectiveness” within the draft AGS is informed by the Council’s Local Code of Corporate Governance Compliance Assessment 2022-23 (Appendix A). The AGS also discusses those risks that are contained in the Councils Corporate Risk Register which are classified as potentially extreme and, as such, represent potential significant governance issues that the Council is currently facing and actively seeking to address. As the risk register is presented as part of this report, it negates the need for the separate quarterly risk management presentation to this committee.

Under the regulations, the accounts are not approved by the Council (or the Committee to which the responsibility is delegated) until after the external audit has been carried out. At this stage this draft allows members an early view and an ability to inform the content. Final adoption of the AGS will take place, alongside the accounts, by the Council and any areas of improvement will be identified. The

final statement will be signed by the Council Leader and Chief Executive. As the AGS must reflect any significant issues that arise prior to its final approval, if necessary, subsequent amendments will be made to the draft document to reflect them and reported to this Committee.

**Recommendation:** The Committee is asked to consider and comment on the revised draft Annual Governance Statement (AGS) for 2022-23.

**Reason for Recommendation:** Approval and publication of an Annual Governance Statement by the Council is a statutory requirement and provides evidence that Dorset Council maintains high standards of governance and addresses significant shortcomings and risks.

1. **Financial Implications**

There are no budget requirements arising directly from this report. The overall financial position of the Council is one of the significant issues covered in the AGS. Addressing other issues identified in the compliance assessment or the AGS may have budgetary implications, which will be considered in the relevant action plans.

2. **Environmental Implications**

None

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

None

4. **Other Implications**

None

5. **Risk Assessment**

The AGS references risks on the Council's corporate risk register which have been assessed as being "High" or "Extreme".

6. **Equalities Impact Assessment**

Considering equalities issues is a key aspect of good governance, but there are no equalities issues arising directly from this report.



7. **Appendices**

Annual Governance Statement 2022/23

a) Local Code of Corporate Governance

b) Extreme Potential Risks

8. **Background Papers**

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# **Annual Governance Statement**

## **2022-23**

**Good Governance is about how the Council strives to do the right things, in the right way and for the benefit of the residents it serves.**

**Supported by:**

**Appendix A – Local Code of Corporate Governance**

**Appendix B – Summary of Extreme Potential Risks (Snapshot from Service Risk Registers)**

## WELCOME DORSET COUNCIL'S ANNUAL GOVERNANCE STATEMENT

The **Annual Governance Statement** is a statutory document, which explains the processes and procedures in place to enable the council to conduct its functions effectively. Dorset Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The Local Government Act 1999 sets out the Council's duty to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. This is reflected in our commitment to transformation and to being a learning organisation.

The Accounts and Audit Regulations (2015) also require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts. This document is the third such Annual Governance Statement for Dorset Council, following its inception on 1 April 2019. The Chartered Institute of Public Finance and the Society of Local Authority Chief Executives (CIPFA/SOLACE) Delivering Good Governance publication (2016) describes principles of good governance to be applied in the public sector. This document is based upon the seven core principles that underpin the CIPFA/SOLACE governance framework.

The Governance Framework is comprised of the systems and processes, and culture and values, by which the Council is directed, and its activities through which it is accountable to, engages with and leads the community. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The process of review and monitoring of governance arrangements across Dorset Council is an ongoing process with updates provided throughout the year. This Statement explains how the Council has complied with The Code and meets the requirements of Accounts and Audit (England) Regulations 2015.



**Matt Prosser**  
**Chief Executive**  
**Dorset Council**



**Cllr Spencer Flower**  
**Leader**  
**Dorset Council**

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## 1. Dorset Councils Governance framework

Dorset Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts. In 2014, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the International Federation of Accountants (IFAC) collaborated to produce The International Framework: Good Governance in the Public Sector. The Framework sets the standard for local authority governance in the UK. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:

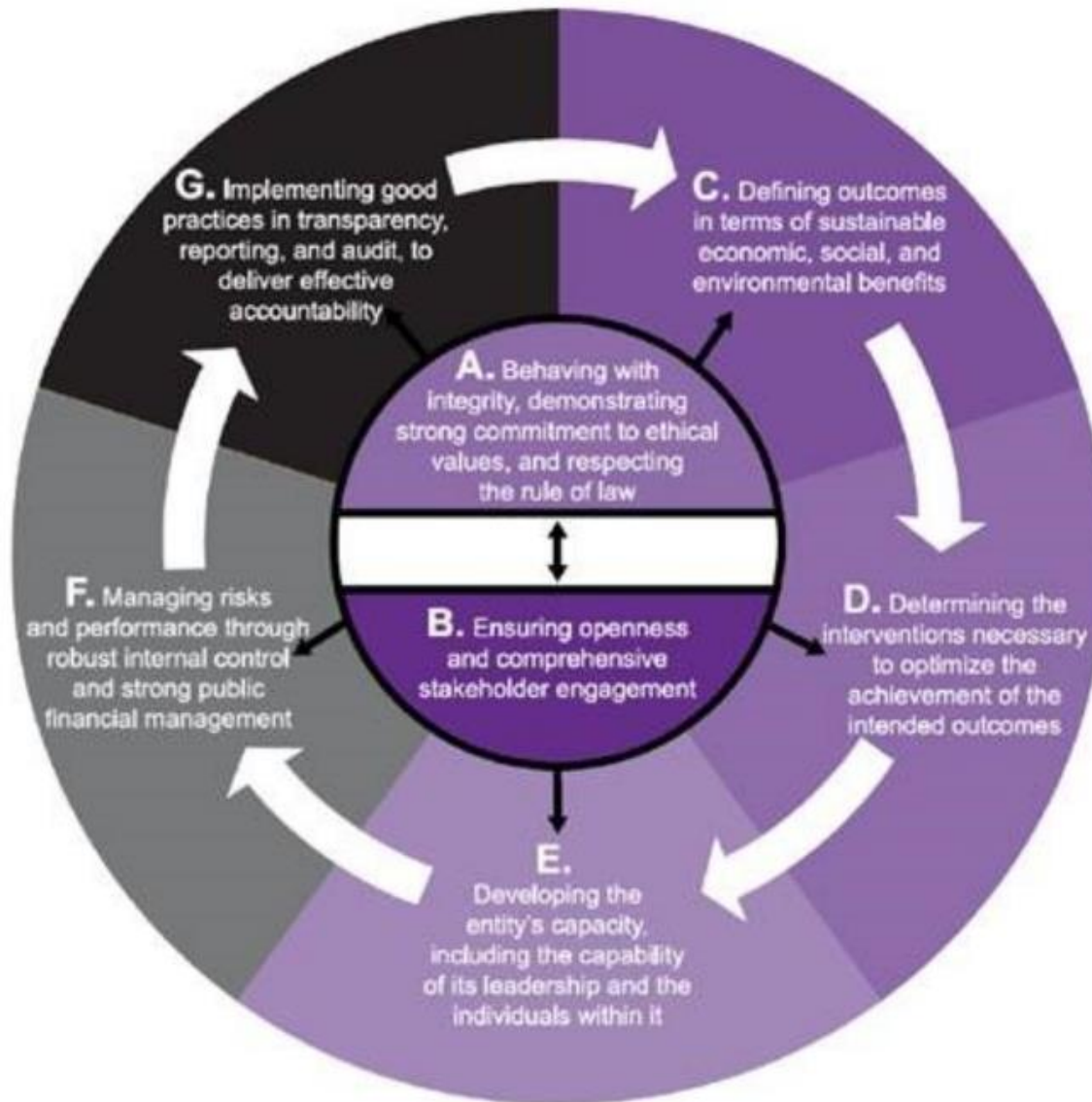
- Resources are directed in accordance with agreed policy and according to priorities; and
- There is sound and inclusive decision making.

The governance framework comprises the systems, processes, culture, and values, by which the Council is controlled. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The governance framework has been in place for the year ended 31 March 2022, and up to the date of the approval of the Statement of Accounts.

## 2 Review of Effectiveness

Review and monitoring of governance arrangements across the Council is an ongoing process. This Statement explains how the Council has complied with its Local Code of Corporate Governance and meets the requirements of Accounts and Audit (England) Regulations 2015 regulation 6, in relation to conducting a review of the effectiveness of the system of internal control and the publication of an annual governance statement.

Dorset Council is committed to the seven core principles of good practice contained in CIPFA/ SOLACE Governance Framework. A more detailed assessment can be found in the Council's Local Code of Corporate Governance that supports this Annual Governance Statement:



## **A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Our Constitution establishes the roles and responsibilities for members of the executive (the Cabinet), Overview, Scrutiny, Audit and Governance and Regulatory Committees, together with officer functions. It includes details of delegation arrangements, codes of conduct and protocols for member/officer relations. The Constitution is kept under review to ensure that it continues to be fit for purpose, with any proposed changes being considered by the Audit and Governance Committee.

The Constitution also contains procedure rules, standing orders and financial regulations that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service, Monitoring Officer, and Chief Financial Officer (S151) are described together with their respective roles and contributions to provide for robust assurance on governance and to ensure that expenditure is lawful and in line with approved budgets and procedures.

The Head of Paid Service is the Chief Executive and is responsible for all Council employees. The Executive Director for Corporate Development is the Council's Chief Financial Officer and is responsible for safeguarding the Council's financial position and ensuring value for money. The Director for Legal and Democratic is the Monitoring Officer and is responsible for ensuring legality and promoting exacting standards of conduct in public life. Under Section 18(2) of the Children Act 2004, Local Authorities in England have a duty to appoint a Director of Children's Services. Local Authorities in England are also required to appoint a Director of Adult Services. Dorset Council have in place both Executive Directors for People (Adults & Children). Alongside these officers, the Executive Director of Place and the Director of Public Health comprise the Council's senior leadership team.

The Council's Constitution sets out how the Council operates. It states what matters are reserved for decision by the whole Council, the responsibilities of the Cabinet and the matters reserved for collective and individual decision, and the powers delegated to panels, committees, and partners. Decision making powers not reserved for councillors are delegated to chief officers (Chief Officer is defined as: Chief Executive; Executive Director; Director or Corporate Director). Each chief officer has a scheme of nomination setting out the powers that others may exercise on their behalf.

The Members' Code of Conduct advises an elected member (or voting co-opted member) what conduct is expected of them and whether their conduct constitutes a criminal offence. A Code of Conduct also exists for staff which sets out the standards of conduct expected of all council employees and prevents employees from being in a situation where they may be vulnerable to an accusation of favouritism or bias or other improper motives, whether this is real or perceived.

The Council operates under an Executive (Cabinet) model, which oversees the formulation of all major policies, strategies, and plans. The Cabinet also lead on the preparation of the Council's budget. The primary counterbalance to our Cabinet is through the two Overview



Committees, the two Scrutiny Committees and the Audit and Governance Committee. These Committees are in place to provide support and a robust level of challenge to the Executive.

We are committed to promoting equality of opportunity, valuing diversity, and eliminating discrimination. In early 2022 the Equality, Diversity and Inclusion Strategic Board was established to oversee and embed equality, diversity, and inclusion within our organisation and in our external work. It also supports the implementation of the council's Equality, Diversity, and Inclusion Strategy by prioritising activity within its action plan and monitoring progress.

## **B) Ensuring openness and comprehensive stakeholder engagement**

All elected members represent their electoral ward. Those not appointed to the Cabinet support the development of policy and scrutinise decisions made by the Cabinet or by officers under delegated powers. They also review services provided by the Council and its partners. The Council's committee structure as set out in the Constitution includes two overview committees and two scrutiny committees, one of which is the designated statutory health scrutiny committee responsible for reviewing proposals for significant changes to NHS services in Dorset. The Council's overall policy is represented through the Council Plan.

Committee meetings are open to the public, and agenda papers and minutes are transparently available on the internet. Since 2019, Committee meetings have been broadcast live using webcasting, and available for viewing via YouTube and the Council's website.

A complaints procedure and a whistle-blowing policy and procedure are maintained and kept under review, providing the opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met. An annual complaints report analyses complaints received, their resolution and key lessons learnt. This is presented to both Scrutiny Committees. The Audit and Governance Committee has responsibility for overseeing the investigation of complaints against members.

The Council has a whistleblowing policy, which encourages employees and other concerned parties to report any instances of suspected unlawful conduct, financial malpractice, or actions that are dangerous to the public or environment. In addition to a fraud and whistleblowing intranet page, the Chief Executive communicates this to all employees on an annual basis to make them aware of this policy. The policy is supported by a confidential whistleblowing hotline and email address. The Council expects the highest standards of conduct and personal behaviour from councillors and employees. These standards are defined and communicated through codes of conduct and protocols.

Our Communications team provides a wide range of support for the whole council including using social media, internal communications, marketing and promotions advice, media relations. Public consultation plays a key part in the decision-making process, across the full range of the Council's services.

Minutes for the two Stakeholder committees, Care Dorset Holdings Ltd and Dorset Centre of Excellence, are available on the Council's website.

The Shareholder Committee for Care Dorset Holdings Ltd is responsible for conducting the Council's shareholder function for Care Dorset Holding Limited. This includes to provide social care across residential and non-residential settings for elderly and vulnerable adults in Dorset.

The Dorset Centre of Excellence (Company) was incorporated on 11 June 2021 and the purpose of the Company is to operate an independent special school and the longer-term vision at the former St Mary's School site. The membership of the committee is made up of 5 members of Cabinet, to perform its shareholder function - to oversee the strategic relationship between the Council and the Company and decision-making.

A disclosure log has been added to the Council's website, transparently including responses to Freedom of Information requests received.

### **C) Defining outcomes in terms of sustainable economic, social, and environmental benefits**

A Council Plan incorporates ten cabinet commitments and focuses on five priorities:

- Protecting our natural environment, climate, and ecology
- Creating stronger, healthier communities
- Creating sustainable development and housing
- Driving economic prosperity
- Becoming a more responsive, customer focused council

Delivery of this plan is supported by service plans and individual staff performance reviews, via objectives set in our appraisal platform "My Roadmap." This demonstrates a 'golden thread' from the overarching Council Plan. These all include targets and, where appropriate, service standards against which service quality and improvement can be judged.

Service level reporting provides monthly management information in a range of formats determined by the senior leadership teams of each of the Council's directorates. To measure our performance, it is important to recognise that we carefully consider, amongst other things: statutory requirements, priorities, resources and how we compare to other places. We continue to strive to be open and transparent, and in line with our efforts to maximise the value in our business intelligence and information. The council provides performance dashboards that help to provide an insight into council activities. The framework makes use of a reporting by exception process whereby measures which are identified as off-track require explanation from accountable managers through a dedicated action tracking process with regular status updates.

New actions will be identified as part of the performance management process and added into the tracking process. This requires an accountable officer to explain why a target is off-track; identify actions to rectify; and a timeline for returning to within tolerance (path to green). A Data and Business Intelligence (BI) Strategy was approved in February 2022 and provides strategic direction to the council's next steps in our ambitions to place the use of data and intelligence at the core of decision making and policy development. It recognises the enormous potential that the better use of our data assets holds for improved decision-making, identification of new opportunities and service improvements both in terms of delivery and value for money.

#### **D) Determining the interventions necessary to optimize the achievement of the intended outcomes.**

Each Cabinet member has been assigned as a specific Portfolio Holder with roles and responsibility for different themes: i) Adult Social Care and Health; ii) Children, Education, Skills and Early Help; iii) Corporate Development and Transformation; iv) Culture, Communities and Customer Services; v) Economic Growth, Assets and Property; vi) Finance, Commercial and Capital Strategy; vii) Highways, Travel and Environment; viii) Housing and Community Services; and xi) Planning. The Leader of the Council is the portfolio holder for Governance, Performance and Communications, business insight and performance, policy, democratic services and elections, legal services, and assurance.

A value for money framework sets out how to develop value for money service benchmarking across the council. Local Government bodies, auditors are required to give a conclusion on whether the council has proper arrangements in place to secure value for money and guidance identifies one single criterion for auditors to evaluate ***'In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.'***

A climate change decision wheel was approved by Cabinet during 2022, to ensure that impacts on the climate are identified and responded to as part of the decision-making process.

#### **E) Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The behaviours we demonstrate, the attitudes we hold and the approaches we take at work are key to the success of Dorset Council and our vision to be an employer of choice. We recognise that our people make our organisation, which is why our behaviours have been developed in partnership with members of our Employee Forum. Behaviours are the attitudes and approaches we bring to our work. They include how we do things; what we say and how we say it; how we treat people; and how we expect to be treated.

“My ROAD Map” is the Council’s continuous performance management framework for staff appraisal, designed to give staff the opportunity to focus on what is important to them to drive performance and development. Appropriate training is made available via a learning hub to ensure that staff can undertake their present role effectively and that they can develop to meet their and the County Council’s needs. This includes several mandatory modules: data protection; safeguarding; prevent; equality, diversity and inclusion and health and safety essentials. As part of an overarching People Strategy, the Council has developed an Employer Brand as part of our corporate priority to be an employer of choice. This brand is about defining who we are and what we have to offer as an employer, so we can build our reputation and attract, recruit, and retain employees.

The Employee Wellbeing team provide support to all employees and can offer links to a wide range of external sources of support for employees to look after both their physical and mental wellbeing.

The Staffing Committee determines staff terms and conditions; appoints and manages performances issues relating to senior officers.

#### **F) Managing risks and performance through robust internal control and strong financial management**

The Council’s monetary management arrangements conform with the governance requirements of the CIPFA (Chartered Institute of Public Finance and Accountancy) “Statement on the Role of the Chief Financial Officer in Local Government” (2010) as set out in the “Application Note to Delivering Good Governance in Local Government: Framework”. The Chief Financial Officer (a role performed by the Executive Director for Corporate Development) has statutory responsibility for the proper management of the Council’s finances and is a key member of the senior leadership team. The Council’s assurance arrangements conform with the governance requirements of the CIPFA “Statement on the Role of the Head of Internal Audit in Public Service Organisations” (2010).

We recognise that Risk Management is an essential part of delivering good governance and reduces the uncertainty of achieving outcomes as set out in the Council Plan. The Council remains committed to driving the organisation forward to achieve a risk aware culture and recognises that effective risk management is essential for a Council to demonstrate that it is acting in the best interests of its residents. Progress has been made with introduction of a risk PowerBI dashboard that helps stakeholders to focus on extreme and high-level risks. It is acknowledged that with such systems in place it will not eliminate all risks, but having systems, mitigations and controls will help to provide a robust process that considers any such risks. Dorset Council continues to work to better embed and help raise awareness of the principles of risk management and to assist officers, at all levels, in applying sound risk management and judgement.

Work continues to develop the council’s stance towards risk management to better assist colleagues, at all levels, in applying sound risk management principles and practices. Summary reports are received by the Audit and Governance Committee on a quarterly basis with an update on key issues from the Information Compliance and Emergency Planning services.

Risk update reports provide a quarterly view on Extreme and High-Level risks that are identified across all services, with separate schedules for Adults and Housing, Children's Services, Corporate Development Services and Place Services and considered by the Places and Resources and People and Health Scrutiny Committees. A summary page (Snapshot on Performance) also helps to provide focus on all the services with a series of graphs and headline statements. An internal audit on risk management during 2022/23 identified some improvements to be made to embedding the culture across all services, and this is reflected within the action plan. During 2023/24 the risk function will transfer into the Performance and Business Intelligence team to provide closer alignment with the performance framework and allow an existing business partner model to help embed the culture within services.

The council has appropriate arrangements in place to deal with fraud and corruption risks and is committed to maintaining its vigilance to tackle fraud. Southwest Audit Partnership reviewed the Council's fraud management arrangements during 2022 as part of a baseline review, and significant improvements were identified since the last review in 2020. A fraud risk assessment was undertaken and has been embedded within the Council's overarching risk register. An annual report on fraud and whistleblowing is received by the Audit and Governance Committee.

The Council's approach to information governance is led by a Strategic Information Governance Board, chaired by the Senior Information Risk Owner (the Director for Legal and Democratic). The work of the Board is supported by four working groups: i) Operational Information Governance Group; ii) Cyber Security Technical Group; iii) Digital Applications Governance Group; and iv) an Organisational Compliance and Risk Learning Group (which will be operational early 2023/24). The Council has an Information Compliance Team which is headed up by the Data Protection Officer and sits within the Assurance Service. Information and records management sits alongside the Archives service. A designated Cyber Security and ICT Continuity officer works within ICT Operations. These supporting teams have representation on the Strategic Information Governance Board. We complete the NHS Digital Security and Protection Toolkit annually to demonstrate that the organisation can be trusted to maintain the confidentiality and security of personal information, increasing public confidence that the NHS and partner organisations can be trusted with personal data.

The Council's Emergency Planning function sits within the Assurance Service and works in conjunction with Local Resilience Forum partners to plan, respond and learn from civil emergencies. The Covid-19 pandemic impacted upon people, assessing our resilience, requiring us to change the way we deliver services and driving the creation of new services to meet the needs of Dorset residents. Dorset Council has played a significant role in responding to the Covid-19 outbreak, both in the delivery of its own service responsibilities and as part of the multi-agency response coordinated through the Local Resilience Forum. The Council was able to maintain services to residents, prioritising services to those in greatest need and redeploying staff accordingly. Public Health Dorset, hosted by the Council, played a key part in responding to the pandemic. The Council's scheme of delegation enabled officers to make urgent decisions and transparency of decision making was maintained through the publication of decision notices. The Council recognises that the Covid-19 crisis has had a significant budgetary impact and will have a long-term effect on the level of resources available to the Council. As we move forward, we will continue to analyse the impact of Covid-19 and understand how the pandemic has impacted our strategic priorities.

Dorset Council continues to experience underfunding through central government annual settlements, limited increases in its council tax and under funding from the current business rates distribution methodology and the collateral ongoing impact surrounding Covid 19 Pandemic. Since the UK left the European Union in December 2020 the UK has been adjusting to the changing trade arrangements, reacting to the wider global economic impacts and Covid restrictions. The global economic challenges, and Ukraine conflict is placing cost of living pressure on households and businesses. There continues to be inflationary increases on food, fuel, and energy prices. These pressures are set to increase further in 2023. Dorset Council is supporting Ukrainian refugees and is offering support to the Ukrainian families living and working in Dorset. We also recognise the impact that the conflict in Ukraine is having on our wider EU communities, many of whom have links to neighbouring countries who are also affected. As a result of the conflict, energy and fuel prices are surging. The September 2022 mini budget saw increases in interest rates. As a result of soaring inflation, we have faced significant, and pay demands from public sector workers. We continue to deal with the unforeseen. Notable areas of risk and impacts for both the United Kingdom and the Council are:

- Continued political instability at a national level creating uncertainty in the financial markets and leading to a Bank of England intervention to help stabilise the position.
- Sixth successive quarter recording a fall in Real Household Disposable Income (Office for National Statistics data source).
- National Grid Demand Flexibility Service implementation, to support a continuous energy supply.
- Continued workforce pressures, including recruitment, retention and nationwide strike action, or threat of, within several sectors. Unions and workers demanding inflation matching pay rises.
- The continued impacts of the Russian invasion of Ukraine, with ongoing support to Ukraine from the United Kingdom, amongst several other nations.
- Heightened awareness relating to environmental issues because of weather extremes.

The public sector is not in any way immune from the rising costs of energy and inflation placing additional, real pressures on the value of our Budget. We continue to work on our Covid Recovery Strategy, to create a more effective way of working together, focused on outcomes that matter to Dorset residents, with more flexibility, reduced reporting, and greater assurance. Many of our public services are on a journey to recovery following the acute phase of the pandemic. Moreover, during which the council has been experiencing cost pressures in relation to the range of services it delivers and uncertainty over future funding. The council is nevertheless obligated, under statute, to set a balanced budget for each budget year. Local government in Dorset has undergone a huge change with the county's nine councils being replaced by two entirely new organisations in 2019. This resulted in a reduction in costs by cutting duplication, benefiting from economies of scales, and further underpinned by a rigorous service transformation programme.

The money saved is being reinvested into important services for residents including housing, road maintenance, SEND provision within schools, social care, and waste collection. You can find out more about these changes and what it means for you at [Dorset Council External Audit review and report on the Council's financial statements \(including the Annual Governance Statement\)](#) and provide an opinion on the accounts together with the use of resources including providing a value for money opinion.

### **G) Implementing good practice in transparency, reporting, and audit, to deliver effective accountability.**

The work of internal audit aligns with the aims and objectives of the council, considering key risks, operations, and changes. To do this Internal Audit needs to be flexible in adapting audit plans to manage changing risks, priorities, and challenges. It is the responsibility of the Senior Leadership Team, and the Audit & Governance Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.

Dorset Council uses the services provided by SWAP (Southwest Audit Partnership) Internal Audit Services which is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership includes public sector partners, crossing eight Counties, but also providing services throughout the UK. The resulting programme is a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP driven by our continuous risk assessment. This risk assessment is based on the live status of both the Council's strategic and service risk registers.

The results of these risk assessments are shared with senior management to obtain their view on the value of internal audit involvement. In developing risk assessments, SWAP take account of other sources of assurance, where relevant. Internal Audit is only one source of assurance, and the outcomes of internal audit reviews are considered alongside other sources, as part of the 'three lines' assurance model. It remains the responsibility of the council's Senior Leadership Team and the Audit & Governance Committee, to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by Dorset Council. SWAP provide a quarterly internal audit report to the Audit and Governance Committee.

External audit arrangements provide a financial audit statement, as per the Code of Practice on Local Authority Accounting.

The Council is committed to achieving high standards of integrity and accountability. Our Anti-fraud, Bribery and Corruption Strategy sets out our zero-policy approach to such acts and records a clear commitment to deal with any cases robustly. We aim to provide an open environment whereby employees and those working for the Council can raise issues that they believe to be in the public interest. This policy sits alongside our Whistleblowing Policy and procedures which provides protection from any harassment, victimisation, or other detriment to any whistleblowing on serious wrongdoing.

### **3 Key Achievements during 2022-23**

The Council continued to conduct significant transformation and restructuring as it began to harmonise the services inherited from the predecessor councils. These achievements included:

New residential home for Dorset children	<p>The council Invested in a new residential home for Dorset children in Weymouth to prevent them being placed in care outside of Dorset.</p> <p>The home officially opened in October 22.</p>	Levelling up grant	Won government funding of £70,000, from the Department for Levelling Up, Housing and Communities for locally important buildings, sites, monuments, and features to be included on new Local Heritage Lists.
Awarded £2.13m from the Brownfield Land Release Fund	<p>The grant funding will be used to help build almost 200 homes in Dorset on underused brownfield land.</p> <p>Helping local people and families get on the property ladder.</p>	Homelessness and help for vulnerable adults	Awarded £500,000 of government funding to help tackle rough sleeping in the county. Established the 'Safe Space' project so people have a safe place to go when they are vulnerable or unable to get back to their accommodation in Weymouth.
Funding for local voluntary and community organisations	Local voluntary and community organisations across the county have been awarded a total of £209,689 in financial support from Dorset Council to help with their running costs. Dorset Council's community and culture project also awarded £66,094 to 18 local arts and sports organisations.		
Weymouth Regeneration	We reshaped Custom House Quay in Weymouth, giving priority to people rather than vehicles. This has resulted in better air quality and a new, harbour café culture. Dorset craftsmen and materials were used where possible. Part of this project included significant investment to improve Weymouth's railway forecourt. This work has created a more welcoming and accessible place for visitors, residents, and businesses, has better onward transport links and includes a nod to Weymouth's railway heritage through imaginative interpretation.		
Digital Technology	Dorset residents registered for the third Festival of The Future to learn about the benefits of digital technology. The five-day festival was staged at locations across Dorset to highlight the county's exciting digital future. More than 7,000 Dorset homes and businesses will be the first in the country to receive next generation broadband through the government's £5 billion Project Gigabit programme.		
Safer Streets	Initiatives to protect women and girls from violence will continue to operate after almost £250,000 of funding has been secured. Last year the council was awarded £380,000 for projects to help women and girls feel safer on our streets as part of the Government's Safer Streets Fund. A new project has been launched in Weymouth which will help to keep young women safer when they are outside of their family home. The Pineapple Project uses the principles of community guardianship to give young women a haven when things do not go to plan, by stepping into a local shop where they can charge their phone or put some distance between them and the person who is bothering them.		



Investment in a new school for pupils with SEND in Dorset	Coombe House School, the new school for children in Dorset with special educational needs and/or disabilities (SEND) officially opened in September this year. Over the next 18 months, the school will expand to its full capacity of 280 children and become a Dorset Centre of Excellence, providing a residential children's home, respite care centre and a workforce training centre for those who work with children with SEND. This is part of a £37.5 million investment over the next five years to provide the best education for Dorset children and young people with special educational needs and disabilities.	
Planning	Combined the planning information from the six former district, borough, and county councils and 4.3 million documents have been transferred to a central system.	Community Governance Review of town and parish councils Completed a public consultation to ask residents their views on town and parish councils.
Climate and Ecological Emergency	<p>Delivery of the Public Sector Decarbonisation Scheme which funded £19m programme of work to decarbonise council sites completed. This resulted in the installation of 350 energy saving measures at over 200 council-owned sites (including schools, leisure centres, country parks, waste depots, offices, and care homes). And is expected to save around 9 million kilowatt hours of energy annually. Just under £1million worth of grants have been awarded to 54 Dorset based organisations to support the installation of energy saving and renewable energy measures, through the council's ERDF funded Low Carbon Dorset programme. Combined, these projects are expected to save over 1,000 tonnes of CO<sub>2</sub> annually.</p> <p>Over £400,000 in grant funding awarded to farmers and land managers through the Dorset AONB Partnership's Farming in Protected Landscapes programme, which is hosted by Dorset Council and funded by Defra. Funds are supporting 57 projects focusing on nature recovery and climate change mitigation. Electrification of council pool fleet, funded through vehicle replacement fund and climate change capital budget, set to be complete by Mar 23. Dorset Council secured £2.7 million to increase the number of Electric Vehicle charging points. The funding comes from the new Local Electric Vehicle Infrastructure (LEVI) pilot scheme. Dorset Council secured over £900,000 worth of funding to improve sections of two National Cycle Network routes in Dorset. Dorset Council also secured £2.5million in funding from the Environment Agency to stabilise, protect and repair the historic Cobb in Lyme Regis. This will be the fifth and final phase of their long-term Environmental Improvement Strategy in the seaside town. The overall cost of the project is expected to be around £3million, with the rest of the money provided by Dorset Council.</p>	
Waste Services	Successful changing of bin collections for 34,000 households in North Dorset leading to cost savings on vehicle use, increased reliability, and more efficient round configurations.	

Homes for Ukraine scheme	Around 720 Ukrainian refugees are calling Dorset home through the government's Homes for Ukraine scheme. Working with our Dorset Together partners, which includes local voluntary and community groups, the council is providing a range of advice and support to our Ukrainian guests and the 260 hosts who have kindly offered their homes.		
County Parks	Dorset Council's Durlston Country Park in Swanage received a grant of £35,400 from the Government's Culture Recovery Fund. Dorset Council has six countryside sites. All were awarded <a href="#">Green Flag status</a>	Summer in Dorset	The council offered an incredible 18,000 funded places across 50 locations for eligible children to take part in Summer in Dorset activities. Over 1,500 children took part.
Family Hubs	Dorset Council was awarded £875,450 from the government's Family Hubs Local Transformation Fund for the work it is conducting on Family Hubs. Family Hubs are a network of welcoming places and spaces for children, young people, and their families where they will be able to chat without an appointment to get some help from a variety of services and take part in support groups or join in activities.		
Recognised Awards	For the second year in a row the ground-breaking 5G Rural Dorset project has been honoured with an award at this year's Connected Britain conference in London. Dorset Council received the <a href="#">Armed Forces Covenant Gold Award</a> as part of the Ministry of Defence's Employer Recognition Scheme. Dorset Council's six countryside sites – all awarded the Green Flag this year. <a href="#">Moors Valley</a> , <a href="#">Avon Heath</a> and <a href="#">Durlston Country Park</a> , plus <a href="#">Thorncombe Woods</a> near Dorchester, and the <a href="#">Milldown</a> and <a href="#">Stour Meadows</a> in Blandford, was recognised by the <a href="#">Green Flag Award</a> scheme as some of the best in the world. The communications team, along with colleagues from Dorset AONB and Visit Dorset, were winners of a national communications award for 'Best use of Research and Evaluation' for the Promise to Love Dorset campaign. This campaign had clear objectives - to change visitor behaviour, following on from some of the anti-social behaviours we saw during the 2020 pandemic.		
Defence Battle Lab opens	A £5.7m collaboration between the MOD, Dorset Council, and the Dorset Local Enterprise Partnership (LEP), to provide an ambitious Defence building programme at the heart of Dorset, dedicated to the pursuit of innovation and technologies of the future. Innovation hub officially opened at Dorset Council's Innovation Park Near Wool. <a href="#">It marks a £5.7m collaboration between the Ministry of Defence (MoD), Dorset Council, and Dorset Local Enterprise Partnership (LEP).</a>		
Cost of living crisis	Working with the 'Dorset Together' network, including our partners at Citizens Advice, Age UK, Help and Kindness and to put in place help where it is needed most. Webpage developed to feature up to date help and support available. Through the Government's Council Tax Energy Rebate schemes, over £18.2 million has been awarded from the main scheme and a further £875,300 has been awarded from the discretionary scheme. We expect to distribute £775K through the Household Support Fund (HSF) to eligible, low-income households. HSF has also been distributed to families, care leavers and via free school meal vouchers. In total our Household Support Fund allocation for this round is £2.29 million.		

4 What actions have been taken in response to 2021-22 Annual Governance Statement

<p><b>Head of Organisational Development</b></p>	<p><b>1 - Compliance with mandatory training remains low.</b></p> <p>Update – In 2022, the Mandatory training refresher cycle was changed resulting in a requirement for employees to complete Health and Safety, Prevent and Equality and Diversity learning pathways every 2 years. This has resulted in more employees being compliant in these disciplines due to an extended completion window being applied. A new Safeguarding awareness pathway was also introduced in 2022 for employees outside of Adults and Children’s directorates (these Directorates already require employees to complete Safeguarding training at Level 2 and/or 3).</p> <p>The safeguarding awareness pathway also includes a module aimed at raising awareness around Modern Slavery. Despite several communications, completion rates remain just below 50%. Employees need to complete this learning every 2 years.</p> <p>The remaining Mandatory Training pathway is Data Protection and this needs to be completed annually. Compliance rates remain low, and work is ongoing to raise awareness with key stakeholders, including managers, across the organisation as to the importance of completing this and how it is relevant to their role.</p> <p>Overall, organisational compliance rates for all mandatory training are 71.22%. Safeguarding awareness and Data Protection are the 2 pathways that have the lowest compliance rates.</p> <p>However, there is still ongoing work to ensure the accuracy of the data as there are several user accounts that are not correctly set up with blank information and place names instead of users.</p> <p>There is also a now identified pocket of employees that are digitally disconnected and do not have a user account set up as they do not have Dorset Council e-mail addresses.</p> <p>These employees (estimated to total around 700) are in the Place Directorate and all have front facing roles, dealing directly with members of the public. There is now some work starting around designing and delivering a face-to-face learning event for these employees to ensure full compliance with all legal and statutory duties. Most of these roles include a requirement to complete Health and Safety training at a higher level than the Mandatory training but that still leaves the need to complete the other pathways in an accessible format.</p>
	<p><b>Service Manager for Assurance</b></p>

<b>Service Manager for Assurance</b>	<b>3 - Improve compliance rates for Subject Access Request responses</b>
	<p>Update – There have been challenges in meeting the Information Commissioners Officer (ICO) timelines due to increasing numbers and complexity of requests, particularly in respect of care leavers. Due to the sensitive nature of the content, requests require substantial redaction. A significant amount of work has been undertaken to improve compliance, with the SARs team transferring across from Children’s Services to Assurance under the management of the Assistant Data Protection Officer. Internal staffing is being supplemented with an outsource arrangement with a redaction company, with the cost of this a budget pressure for Children’s Services.</p> <p>Since the transfer of the team, great progress has been made in reducing the length of response time and improving the number of requests that are responded to within Information Commissioners Office timescales. This is due to staff now having been recruited and trained, improved efficiency and reviews of process. This has improved from 53% at the beginning of April 2022 to 70% as at December 2022 (but still short of the 90% target). Further work continues to improve compliance. We are working with the Rees Foundation to support care leavers that submit SARs. This is to help focus in on the information that the care leaver is seeking rather than full document disclosure and support them in understanding what is disclosed. A project has been established to explore the potential purchase of redaction software, to further improve efficiency. This will continue as an improvement action for 2023/24.</p>
<b>Service Manager for Assurance</b>	<b>4 Embedding “Data Protection by Design and Default” through improved Data Privacy Impact Assessments, potentially incorporating into a wider “whole impact” assessment (equality; climate change etc).</b>
	Update – The new Strategic Information Governance Board will help to drive this work forward, but it remains an improvement action now.
<b>Service Manager for Archives</b>	<b>5 - Rollout of Information Asset Register</b>
	Update – The Information Asset Owner project has been initiated and is currently at the service design stage.

## 5 What actions will be taken in response to this 2022-23 Annual Governance Statement

Specific opportunities for improvement in governance and internal controls identified as part of the assurance processes have been addressed or are included in action plans for the relevant managers.

<b>Action One</b>	Ongoing work to improve compliance rates on Subject Access Requests
	Responsible Officer – Service Manager for Assurance

<b>Action Two</b>	Respond to internal audit actions on embedding risk management, including reassessment of Council's risk appetite. This will incorporate further work on assurance mapping.
	Responsible Officers – Service Manager for Performance and Business Intelligence; Service Manager for Assurance
<b>Action Three</b>	Develop and roll out the action plan to support the Council's data strategy
	Responsible Officer - Service Manager for Performance and Business Intelligence
<b>Action Four</b>	Embedding "Data Protection by Design and Default" through improved Data Privacy Impact Assessments, potentially incorporating into a wider "whole impact" assessment (equality; climate change etc).
	Responsible Officer – Service Manager for Assurance
<b>Action Five</b>	Ongoing development and rollout of a DC Information Asset Register
	Responsible Officer – Service Manager for Archives
<b>Action Six</b>	Rollout of Climate Change Risk Assessment
	Responsible Officer – Corporate Director TID and Climate
<b>Action Seven</b>	Improve compliance rates for mandatory training on data protection and safeguarding awareness
	Responsible Officer – Head of Learning and Development

## 6 Approval of the Annual Governance Statement 2022-23

The Council is satisfied that this statement provides a substantial level of assurance that good governance is in place in Dorset Council and that appropriate arrangements are in place to address improvements in our review of compliance. Progress on these improvements and on addressing any mitigating the risks will be monitored through the year by senior officers and elected councillors of Dorset Council.

### Supported by:

**Appendix A – Local Code of Corporate Governance**

**Appendix B – Summary of Extreme Potential Risks**

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### Local Code of Corporate Governance - Good Governance in the Public Sector 2022-23

Dorset Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts. In 2014, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the International Federation of Accountants (IFAC) collaborated to produce The International Framework: Good Governance in the Public Sector. The Framework sets the standard for local authority governance in the UK. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities.
- There is sound and inclusive decision making.
- There is clear accountability for the use of those resources to achieve desired outcomes for service users and communities.

### Corporate Governance

Corporate governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest, and accountable manner. Good governance means that we have the right systems, processes, cultures, and values in place, to ensure that we account to, engage with and, where appropriate, lead our communities. It also means that our elected members and staff will conduct themselves in accordance with the highest standards of conduct. We are committed to effective corporate governance.

<b>Governance Structure and Responsibilities</b>	
<b>Dorset Council</b>	<ul style="list-style-type: none"> <li>• Dorset Council consists of 82 Councillors. A member role includes representing the needs, priorities and aspirations of the Dorset Council and the people of the Dorset Council area.</li> <li>• Approves the budget and policy framework.</li> <li>• Approves the Constitution (including Standing Orders and Financial Regulations).</li> <li>• Establishes committees to discharge non-executive functions.</li> </ul>
<b>Cabinet</b>	<ul style="list-style-type: none"> <li>• The main decision-making body of the Council responsible for executive functions.</li> <li>• Leader of the Council appointed by the council with responsibility for executive functions and who appoints a Deputy Leader and Cabinet members who have responsibility for portfolios.</li> </ul>
<b>Audit and Governance Committee</b>	<ul style="list-style-type: none"> <li>• Provides independent assurance to the Council on the adequacy and effectiveness of the governance, risk management framework and internal control environment.</li> <li>• Approves the Local Code of Corporate Governance, Annual Statement of Accounts and Annual Governance Statement.</li> </ul>
<b>Overview and Scrutiny Committees</b>	<ul style="list-style-type: none"> <li>• Overview and scrutiny are a statutory activity, and the Council will appoint members to 2 Overview Committees and 2 Scrutiny Committees - People and Health Overview Committee; People and Health Scrutiny Committee; Place and Resources Overview Committee; and Place and Resources Scrutiny Committee.</li> </ul>
<b>Head of Paid Service</b>	<ul style="list-style-type: none"> <li>• Overall corporate management and operational responsibility for the council (including management for all employees)</li> <li>• The provision of professional advice to all parties in the decision-making process and, responsibility for a system of record keeping for all the council's decisions, representing the council on partnerships and external bodies.</li> <li>• The Head of Paid Service will determine how the council's functions are discharged, the number and grade of Officers required to discharge the functions and how Officers are organised.</li> </ul>
<b>Chief Finance Officer (s151)</b>	<ul style="list-style-type: none"> <li>• Accountable for developing and maintaining the council's governance, risks, and control framework.</li> <li>• Ensuring lawfulness and financial prudence of decision making and the administration of financial affairs.</li> <li>• Providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues, and will support and advise Councillors and Officers in their respective roles.</li> <li>• Contributes to the effective corporate management and governance of the council.</li> </ul>



<p style="text-align: center;"><b>Monitoring Officer</b></p>	<ul style="list-style-type: none"> <li>• Monitoring, reviewing, and maintaining the Constitution.</li> <li>• Ensuring lawfulness and fairness of decision making.</li> <li>• Supporting Joint Standards Committee, conducting investigations, and undertaking other actions in respect of matters referred to him/her by the Joint Standards Committee.</li> <li>• Proper Officer for access to information.</li> <li>• Advising whether decisions are within the budget and policy framework.</li> <li>• Providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues.</li> <li>• Contributes to the effective corporate management and governance of the council.</li> <li>• Contributes to all the effective corporate management and governance of the council.</li> </ul>
<p style="text-align: center;"><b>Senior Leadership Team</b></p>	<ul style="list-style-type: none"> <li>• Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues.</li> <li>• Oversees the delivery of the Council’s Corporate Plan and implementation of Council Policy.</li> </ul>
<p style="text-align: center;"><b>Heads of Service and Service managers</b></p>	<ul style="list-style-type: none"> <li>• Responsible for developing, maintaining, and implementing the Council’s governance, risk, and control framework.</li> <li>• Contribute to the effective corporate management and governance of the Council.</li> </ul>

Dorset Council embraces the following three over-arching elements of good corporate governance and continually works to ensure that they underpin the delivery of the services:

- Openness and inclusivity - being open through consultation with stakeholders providing access to accurate and clear information. To ensure that all can engage effectively with the decision-making processes and actions of Dorset Council.
- Integrity - based upon honesty, selflessness, and objectivity. Exacting standards of propriety and transparency in the stewardship of funds and management of the council's business.
- Accountability - members and officers are responsible for their decisions and actions.

Dorset Council remains committed to the principles of good corporate governance. The council recognises that achieving exacting standards of corporate governance encourages stakeholders to have confidence in the authority.

The chief executive and leader prepare the annual governance statement as part of the annual statement of accounts giving their opinion on whether the corporate governance arrangements are adequate and are operating effectively.



The council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively.

In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's business and the stewardship of the resources at its disposal.

It requires having in place a framework of overarching strategic policies and objectives underpinned by robust systems, processes, and structures for delivering these.

We continue to engage with other statutory bodies and the voluntary and community sector as well as private companies commissioned to deliver services.

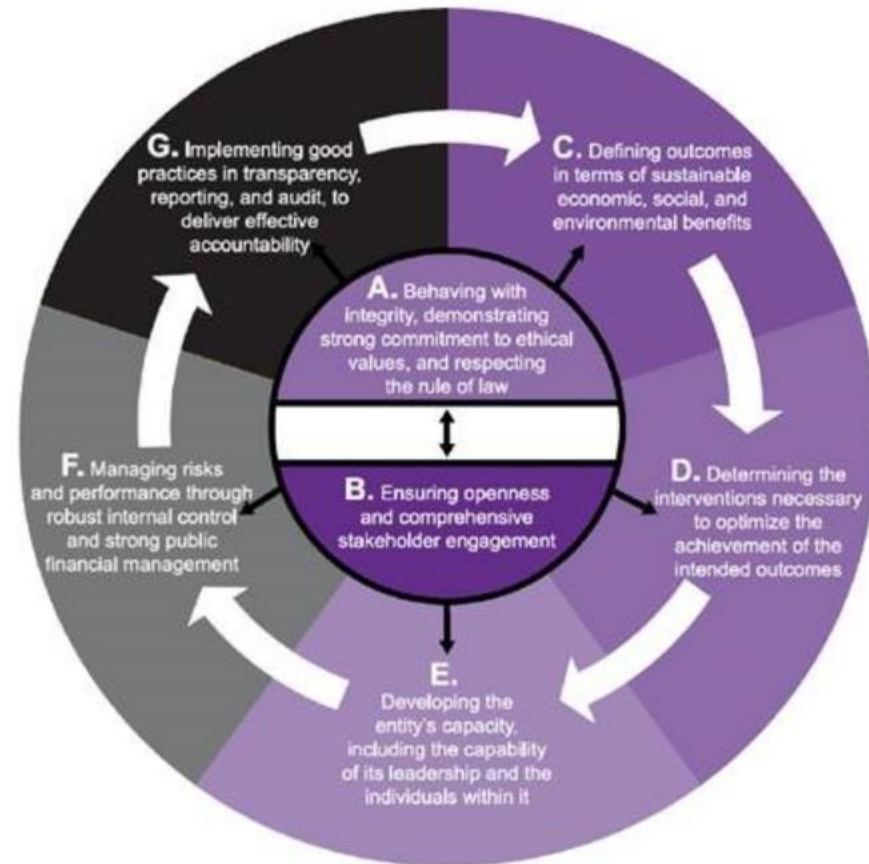
Dorset Council is committed to the seven core principles of good practice contained in the CIPFA framework.

The CIPFA/ SOLACE Governance Framework states that: ‘Principles A and B permeate implementation of Principles C to G. The diagram opposite illustrates that good governance is dynamic and that an entity should be committed to improving governance on a continuing basis through a process of evaluation and review.’

To confirm this, we evaluate our governance arrangements by developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness.

Our Local Code has been written to reflect the Council’s own structure, functions, and the governance arrangements in existence.

The Council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date.



This review will include an assessment of the effectiveness of the processes contained within the Local Code and includes annual assessments:

- Departments and corporate reviews of assurance arrangements - Internal Audit Annual Report including an opinion on the risk, governance and control environment and framework.
- The opinions of other review agencies and inspectorates, including governance issues via ad hoc cases / disciplinary issues, police investigations

Reporting publicly on compliance with our own code on an annual basis and on how we have monitored the effectiveness of our governance arrangements in the year and on planned changes. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires the Council to conduct a review at least once in a year of the effectiveness of our systems of internal control and include a statement reporting on the review with our published statement of Accounts. This is known as the Annual Governance Statement. The Chief Executive and Leader of the Council certify the Annual Governance Statement to accompany the Annual Accounts which will assess how the Council has complied with our Local Code. An opinion on the effectiveness of the Council's governance arrangements will be provided together with details of how continual improvement in the systems of governance will be achieved. Our Council Plan sets out our key priorities to 2024. Our long-term vision will see us strengthen our work with our health partners to deliver the integrated care system 'Our Dorset'. We have joined up to tackle health inequalities and all the things that affect health and wellbeing, to make real change, and improve things for our communities. We have developed a transformation programme to improve services for residents and we will focus on:

- Being more commercial
- Putting our customers first
- Delivering climate and ecological priorities
- Making the best use of our assets and leading economic growth
- Implementing a digital, intelligent, data led approach.
- Working with the Integrated Care System

A list of [supporting strategies](#) can be found on our website.



**PRINCIPLE A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law.**

Sub-Principles - Behaving with integrity - Demonstrating strong commitment to ethical values - Respecting the rule of law		
<p><u>Dorset Council’s commitment to achieving good governance: To behave with integrity</u></p> <p>We are all committed to delivering excellent services to Dorset residents and our employees are key to this commitment. Everyone who uses council services are entitled to expect the highest standards of conduct from council employees. Our values are at the heart of everything we do and ensure that we do the right things in the right way and our behaviours have been designed to support and embed these values. The Dorset Council behaviours form part of everything we do. We remain focused on improving the lives of people as well as protecting and enhancing our local places.</p> <p>We ensure members and officers behave with integrity and lead a culture where acting in the public interest is visibly demonstrated thereby protecting the reputation of the council. We look to lead by example using the standard operating principles or values as a framework for decision making and actions. Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Dorset Council constitution</b></p> <p><b>Scheme of Delegation</b></p> <p><b>Contract Standing Orders</b></p> <p><b>Officer and member codes of conduct</b></p> <p><b>Anti-fraud and corruption strategy</b></p> <p><b>Complaints policy and Annual Report</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>
<p><u>To demonstrate strong commitment to ethical values</u></p> <p>We are committed to the principles of Good Governance as agreed by the Chartered Institute of Public Finance Accountancy and the Society of Local Authority Chief Executives. Our local code of governance is underpinned by these principles and is comprised of a framework of policies, procedures, behaviours, and values by which Dorset Council is controlled and governed.</p> <p>The documents that make up this framework provide the structures and guidance that our members and employees require to ensure effective governance across the council.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Whistleblowing policy</b></p> <p><b>Procurement strategy</b></p> <p><b>Equality, Diversity and Inclusion Strategic Board and Strategy</b></p> <p><b>Job evaluation scheme</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>

<p>As a council we seek to establish, monitor, and maintain the organisation's ethical standards and performance by underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the council's culture and operation. We have developed and maintain robust policies and procedures which place emphasis on agreed ethical values. We ensure that external service providers on behalf of the council act with integrity and in compliance with ethical standards expected by Dorset Council.</p>	<p><b>Protocol for officer and member relations</b></p> <p><b>Behaviour framework</b></p> <p><b>Audit and Governance Committee</b></p>	
<p><u>To respect the rule of law</u></p> <p>Governance arrangements in the public services are keenly observed and sometimes criticised. Significant governance failings attract huge attention – as they should – and one significant failing can taint a whole sector. Local government organisations are big business and are vitally important to taxpayers and service users.</p> <p>Dorset Council works to ensure that the highest standards and that governance arrangements are not only sound but are seen to be sound.</p> <p>The council works to ensure that its members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. It is important that conditions are created to ensure that the statutory officers, other key post holders, and members, and can fulfil their responsibilities in accordance with legislative and regulatory requirements.</p> <p>The council works to optimise the use of the full powers available for the benefit of Dorset residents, its communities, and other stakeholders.</p> <p>Where required the council deals with any breaches of legal and regulatory provisions and works to ensure that any corruption and misuse of power are dealt with effectively.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Financial regulations</b></p> <p><b>Audit and Governance Committee</b></p> <p><b>Codes of conduct</b></p> <p><b>Register of Interests</b></p> <p><b>Register of Gifts and Hospitality</b></p> <p><b>Comments and Complaints Procedure</b></p> <p><b>Constitution</b></p> <p><b>Equality, Diversity and Inclusion Strategic Board and Strategy</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>

**PRINCIPLE B. Ensuring openness and comprehensive stakeholder engagement.**

Sub-Principles Openness - Engaging comprehensively with institutional stakeholders; Engaging with individual citizens and service users effectively		
<p><u>Dorset Council’s commitment to achieving good governance: To ensure openness.</u></p> <p>The Seven Principles of Public Life (also known as the Nolan Principles) apply to anyone who works as a public officeholder. The principles also apply to all those in other sectors delivering public services.</p> <p>Information should not be withheld from the public unless there are clear and lawful reasons for so doing. Dorset Council recognises that we live in a modern, digital world where the use of modern communication methods such as filming, tweeting, and blogging should be embraced for enhancing the openness and transparency of local government bodies. Making decisions that are open about actions, plans, resource use, forecasts, outputs, and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used.</p> <p>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Consultation and engagement activities</b></p> <p><b>Dorset Council constitution</b></p> <p><b>Freedom of Information compliance and disclosure log</b></p> <p><b>Right of Access Compliance (Subject Access Requests)</b></p> <p><b>Council Plan and communications to residents across a range of channels</b></p> <p><b>Behaviour and Performance Management Framework</b></p> <p><b>Performance Targets</b></p> <p><b>Streaming of Committee Meetings</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p> <p>Ongoing work to improve compliance rates on Subject Access Requests</p>
<p><u>To engage comprehensively with stakeholders</u> - Dorset Council appreciates that if people take time to engage, they need to be listened to and their comments made, when asked, need to be seen to be acknowledged and be seen to be effective. As a council we have ever growing numbers of partners ‘delivering’ services to the community.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Consultation and engagement policy</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>

<p>In our day-to-day activities we seek out to reach as many Dorset residents as possible. By engaging people at the point of delivery, we can enable residents to shape their community and in turn community cohesion will build and grow making Dorset an even better place to live, work and visit.</p> <p>Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.</p> <p>Implementing effective feedback mechanisms to demonstrate how views have been considered. Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity and taking account of the impact of decisions on future generations of taxpayers and service users.</p>	<p><b>Public consultations on key decisions</b></p> <p><b>Equality, Diversity and Inclusion Strategic Board and Strategy</b></p> <p><b>Residents’ survey</b></p> <p><b>Dorset Council constitution</b></p> <p><b>Complaints policy and Annual Report</b></p>	
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**PRINCIPLE C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

<p>Sub-Principles - Defining outcomes - Sustainable economic, social, and environmental benefits</p>		
<p><u>Dorset Council’s commitment to achieving good governance: To define outcomes.</u></p> <p>Dorset Council recognises that clarity about outcomes is essential for any activity. Outcomes do not exist in isolation - they are part of an overall plan.</p> <p>Outcomes help to provide purpose, stronger partnerships through agreement on goals, and improved communication. A clear statement of outcomes establishes effective communication with stakeholders and enables supporters and co-operators to understand what the council is aiming to achieve. Having a sharp vision, which is an agreed formal statement of the council's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning, and other decisions.</p> <p>Delivering defined outcomes on a sustainable basis within the resources that will be available.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Golden thread running through Council Plan, Service Plans and “My Road Map” appraisals.</b></p> <p><b>Equality Diversity and Inclusion Strategy</b></p> <p><b>Performance and risk reporting</b></p> <p><b>Team meetings</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>



<p>Identifying and managing risks to the achievement of outcomes. Managing service users' expectations effectively about determining priorities and making the best use of the resources available.</p>	<p><b>Statement of Accounts</b></p> <p><b>Budget Reports</b></p> <p><b>Data and Business Intelligence Strategy</b></p>	
<p><u>To enable sustainable economic, social, and environmental benefits - Dorset Council works to ensure that social value principles are applied in a way that enables the council to maximise economic, social, and environmental benefits for Dorset residents.</u></p> <p>The council will go beyond the limitations of the Public Services (Social Value) Act 2012, acting as a leader and ensuring that economic, social, and environmental impact of policies are included in everything it does, linking economic and social growth with maximising the value obtained from money spent.</p> <p>The council takes a longer-term view about decision making, taking account of risk, and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors, such as the political cycle or financial constraints. Dorset Council focuses on ensuring fair access to all services.</p>	<p><b>Evidenced by:</b></p> <p><b>Committee report impacts sheet.</b></p> <p><b>Risk management</b></p> <p><b>Climate and Ecological Emergency Strategy</b></p> <p><b>Procurement and Commissioning Policy</b></p> <p><b>Equality Diversity and Inclusion Strategy</b></p>	<p><b>Identified Improvement for <u>2023/24</u></b></p>

**PRINCIPLE D. Determining the interventions necessary to optimise the achievement of the intended outcomes.**

<p>Sub-Principles - Determining interventions - Planning interventions; Optimising achievement of intended outcomes</p>		
<p><u>Dorset Council's commitment to achieving good governance: To determine interventions.</u></p> <p>We ensure that decision makers receive objective and rigorous analysis of a variety of options, indicating how intended outcomes would be achieved and associated risks.</p>	<p><b>Evidenced by:</b></p> <p><b>Dorset Council constitution</b></p> <p><b>Service risk registers</b></p>	<p><b>Identified Improvement for <u>2023/24</u></b></p>

<p>As mentioned, Dorset Council considers feedback from residents and service users when making decisions about service improvements or where services are no longer required to prioritise competing demands with limited resources available including people, skills, land, and assets and bearing in mind future impacts.</p>	<p><b>Committee report and clearance process</b></p> <p><b>Portfolio holders</b></p> <p><b>Climate change decision making</b></p>	
<p><u>To plan interventions</u></p> <p>Priority issues are set by using national and local intelligence, including work related accident, injury and ill health statistics, complaints, and information from other regulators. Planned interventions can include a wide range of activities ranging from provision of specific advice and information, training sessions and seminars, working with trade associations, recognising, and sharing good practice and workplace inspections.</p> <p>The council ensure that arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances. Establishing appropriate key performance indicators (KPIs) as part of the planning process to identify how the performance of services and projects is to be measured.</p> <p>Preparing budgets in accordance with objectives, strategies, and the medium-term financial plan.</p> <p>Inform medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Service risk registers</b></p> <p><b>Public consultations on key decisions / changes to policy</b></p> <p><b>Quarterly Reports</b></p> <p><b>Financial Strategy - reviewed annually.</b></p> <p><b>Business Continuity Plan</b></p> <p><b>Assurance Service Lessons Learnt processes (Emergency Planning / complaints)</b></p> <p><b>Organisational Compliance and Risk Learning Group</b></p> <p><b>Climate change decision wheel</b></p> <p><b>Equality Impact Assessments</b></p> <p><b>Transformation programme</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>

<p><u>To optimise achievement of intended outcomes</u></p> <p>Dorset Council ensures that the medium-term financial strategy integrates and balances service priorities, affordability, and other resource constraints. Our budgeting process is all-inclusive, considering the full cost of operations over the medium and longer term. The medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period for outcomes to be achieved while optimising resource usage. We ensure the achievement of 'social value' through service planning and commissioning.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Medium Term Financial Strategy</b></p> <p><b>Annual Audit and Inspection letter</b></p> <p><b>Scrutiny Committees</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>
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**PRINCIPLE E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it.**

<p>Sub-Principles - Developing the entity’s capacity - Developing the entity’s leadership - Developing the capability of individuals within the entity</p>		
<p><u>Dorset Council’s commitment to achieving good governance: To develop capacity.</u></p> <p>Workforce capacity planning helps Dorset Council to determine whether we have the right mix and numbers of employees with the right skills and knowledge.</p> <p>Dorset Council looks to support its managers, workforce, and HR always leads. An important part of workforce capacity planning is that workers understand the needs of the people they are supporting. The council reviews operations, performance, and use of assets on a regular basis to ensure their continuing effectiveness. We strive to improve resources through appropriate application of techniques such as benchmarking and other options to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.</p> <p>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>People strategy and ‘My Roadmap’ appraisals</b></p> <p><b>Staff Development Scheme</b></p> <p><b>Training and Development Plans</b></p> <p><b>Chief Executive role defined in Authority Procedural Rules</b></p> <p><b>Staffing Committee</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p> <p>Improve compliance rates for mandatory training on data protection and safeguarding awareness</p>

<p><u>To develop the capability of the leadership and other individuals</u></p> <p>We look to develop protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained. The Constitution specifies the type of decisions that are delegated and those that are reserve for the collective decision making of the governing body. Dorset Council ensures the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of service and other outputs set by members and each provides a check and balance for each other's authority. Ensuring that there are structures in place to encourage public participation. Taking steps to consider the leadership's own effectiveness and ensuring leaders are responsive to constructive feedback from peer review and inspections. Holding staff to account through regular performance reviews which take account of learning and development needs. Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>People and Wellbeing strategy</b></p> <p><b>Scheme of Delegation</b></p> <p><b>My Roadmap' appraisals and 1to1s</b></p> <p><b>Mentoring and coaching</b></p> <p><b>Peer reviews and external inspections</b></p> <p><b>Staff consultative panels</b></p> <p><b>Leadership Forum</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>
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**PRINCIPLE F. Managing risks and performance through robust internal control and strong public monetary management**

<p>Sub-Principles - Managing risk - Managing performance - Robust internal control; Managing Data - Strong public monetary management</p>		
<p><u>Dorset Council's commitment to achieving good governance: To manage risks.</u></p> <p>Dorset Council has a statutory responsibility to have in place arrangements for managing risks.</p> <p>Risks are regularly reviewed by the allocated risk owner(s) and there is an escalation process for those risks assessed as 'extreme or high level' which ensures that senior management and members are aware of those risks that pose the most serious threat to the Council and how they are being managed. Dorset Council's approach to Risk Management sets out activities, roles, and responsibilities required. Corporate Governance is responsible for undertaking regular reviews of the framework to ensure it</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Risk management policy statement</b></p> <p><b>Corporate and service risk registers, with clear risk owners</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p> <p>Respond to internal audit actions on embedding risk management, including reassessment of Council's risk appetite. This will incorporate further work on assurance mapping.</p>

<p>remains fit for purpose. We continue to develop and embed our risk management culture. To ensure the successful, ongoing integration of risk management into council’s systems and processes it is necessary to maintain a training and awareness for all colleagues.</p> <p>DC makes use of Power BI visual dashboards to provide easy access and reporting for risk management. Work continues to provide Dorset Council with a structured, methodical means of identifying and overseeing significant risks and their management. This is to ensure the continued operation of the Council in meeting its objectives and mitigating against significant risks, particularly those that may be a single point of failure. Through the management of risk, we consider what might go wrong and take steps to reduce the impact if things do go wrong.</p> <p>We provide assurance that we are managing risk effectively through a collaborative approach with other teams involved with the identification and mitigation of key risks and use/share information wherever possible. Training content encompasses the risk management process, application of risk management tools, identification and analysis of risk exposures, and reporting. Training is also available through the Dorset Council Learning Portal where risk management related packages are available. For those colleagues who have limited computer access meetings and mail outs will provide the updates when deemed appropriate.</p>	<p><b>Risk considerations within committee reports</b></p> <p><b>Reporting of significant risks</b></p> <p><b>Business continuity framework</b></p> <p><b>Emergency Response Plan / Command and Control structure</b></p> <p><b>Performance Management Framework</b></p> <p><b>Local Code of Corporate Governance</b></p> <p><b>Annual Corporate Governance Statement and Assessment</b></p>	<p>Rollout of Climate Change Risk Assessment</p>
<p><u>To manage performance</u></p> <p>Monitoring service delivery effectively including planning, specification, execution, and independent post implementation review. Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social, and environmental position and outlook. Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made, thereby enhancing the organisation's performance and that of any organisation for which it is responsible. We monitor performance to help us to track how well services are performing. We also track our progress over time so that we: -</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Performance Management Framework</b></p> <p><b>Impact/Risk considerations</b></p> <p><b>Separate Overview and Scrutiny Committees</b></p> <p><b>Council Plan</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p> <p>Develop and roll out the action plan to support the Council's data strategy</p>

<ul style="list-style-type: none"> <li>• measure progress of Council’s priorities</li> <li>• can challenge our performance.</li> <li>• provide Dorset residents and partners with information so that they can see our progress.</li> <li>• provide assurance to our Independent Regulators</li> <li>• ensure that we provide value for money.</li> </ul> <p>As part of the DC performance framework, we produce monthly KPI performance dashboards containing key metrics to monitor performance. Metrics are indicated as within or outside of tolerance against targets and reporting includes associated explanations and required actions where any performance is flagged as sub-optimal. Performance information and dashboards are used by the Scrutiny Committee's to ensure performance is maintained. Performance Scrutiny Information is publicly available via online PowerBi dashboards.</p>	<p><b>Transformation programme</b></p> <p><b>Delivery Plan</b></p> <p><b>Supporting strategies</b></p> <p><b>Data strategy</b></p>	
<p><u>To ensure robust internal control</u></p> <p>The council understands and implements policies and controls that help to provide stakeholders with timely information. Work continues with risk management and internal control systems to be embedded in the operations of the council and be capable of responding quickly to evolving risks, whether they arise from factors within the council or from changes in the business environment. The system of internal control helps Dorset Council to ensure that it complies with all relevant laws, acts, regulations, and proper practices. Also secures the economic, efficient, and effective use of public money. Safeguards its assets and interests. Evaluates and monitors risk management and internal control on a regular basis.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Southwest Audit Partnership</b></p> <p><b>Chief Internal Auditors report</b></p> <p><b>Anti-fraud and corruption policy</b></p> <p><b>Quarterly reporting to elected members</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>

<p><u>To manage data</u></p> <p>We use personal and sometimes sensitive (special) information to perform our duties and deliver services. Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.</p> <p>Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies. We are also required to have a Data Protection Officer. Ensuring effective counter fraud and anti-corruption arrangements are in place. The Council is empowered to deliver a range of services and undertake public tasks.</p> <p>All council staff are required to undertake ‘data protection and information security’ training to ensure that personal data is processed in accordance with current data protection principles. The council also reviews and audits regularly the quality and accuracy of data used in decision making and performance monitoring.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Information Compliance Team</b></p> <p><b>Strategic Information Governance Board and supporting groups.</b></p> <p><b>Data sharing agreements</b></p> <p><b>Annual Information Governance report</b></p> <p><b>Mandatory data protection training</b></p> <p><b>Information Governance Policy Framework</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p> <p>Embedding “Data Protection by Design and Default” through improved Data Privacy Impact Assessments, potentially incorporating into a wider “whole impact” assessment (equality; climate change etc).</p> <p>Ongoing development and rollout of a DC Information Asset Register</p> <p>Develop and roll out the action plan to support the Council’s data strategy</p>
<p><u>To ensure strong public monetary management</u></p> <p>Dorset Council remains committed to providing value for money and ensuring that public money is spent efficiently to provide an effective service to Dorset residents.</p> <p>Monetary management covers the allocation of available resources to key priorities, monitoring the delivery of those priorities in a changing environment, the effective management of risk, and compliance with relevant legislative requirements.</p> <p>This will be delivered through: -</p> <ul style="list-style-type: none"> <li>• A strong focus on financial management discipline from all managers within the council, as led by the Corporate Leadership Team (CLT).</li> <li>• Strong and meaningful engagement with members and committees of the council.</li> </ul>	<p><b><u>Evidenced by:</u></b></p> <p><b>Performance Management Framework</b></p> <p><b>Medium Term Financial Plan</b></p> <p><b>Budget update reports to committee</b></p> <p><b>Annual Governance Statement</b></p> <p><b>Annual Outturn and Financial Statements</b></p>	

<ul style="list-style-type: none"> <li>• Political and officer ownership of and accountability for all budgets and service outcomes.</li> <li>• Open, honest, and timely reporting on all financial matters and service outcomes.</li> <li>• The appropriate application of professional standards across the council</li> </ul> <p>The environment and the changing demand for the services that Dorset Council deliver means that the council has limited control and influence over the level of demand. In addition, the level of resources available has not kept pace with demand. This creates a challenging environment in which to operate effective monetary management. Ensuring well-developed monetary management is integrated at all levels of planning and control, including management of financial risks and controls.</p> <p>Ensure that the Treasurer to the Authority (the S151 officer) is responsible for providing appropriate advice on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system for internal financial control.</p>	<p><b>Quarterly Report including performance</b></p>	
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**PRINCIPLE G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.**

<p>Sub-Principles - Implementing good practice in transparency - Implementing good practices in reporting - Assurance and effective accountability</p>		
<p><u>Dorset Council’s commitment to achieving good governance in practice includes: To demonstrate good practice with transparency.</u></p> <p>Dorset Council believes transparency is an essential element of the delivery of council services. We have a duty to Dorset residents to be transparent in our operations and outcomes. Dorset Council believes transparency is an essential element of the delivery of council services. As a publicly funded organisation, we have a duty to Dorset residents to be transparent in our operations and outcomes. As part of this commitment to being open and transparent, a range of information is regularly available or published in line with the Code of Recommended Practice for Local Authorities on Data Transparency.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Annual Governance Statement</b></p> <p><b>Member allowances scheme</b></p> <p><b>Annual audit report</b></p> <p><b>Freedom of Information</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>



<p>The idea of open data is that non-personal information held by government and local councils should be freely available for anyone to use. We want to make our data available for the benefit of everyone, so that we increase the transparency and accountability of what we do. Writing and communicating reports for the public and other stakeholders in a fair, balanced, and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate. We look to strike a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.</p>	<p><b>Independent remuneration panel</b></p> <p><b>Committee reports and clearance process.</b></p> <p><b>Mod Gov committee reports</b></p>	
<p><u>To implement good practices in reporting</u></p> <p>We ensure members and senior management own the results reported. Ensuring robust arrangements for assessing the extent to which the principles contained in this framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement). The council ensures that this Framework is applied to jointly managed or shared service organisations as appropriate. We make sure that the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Council plan and supporting performance reporting.</b></p> <p><b>Accountable officers for performance indicators</b></p> <p><b>Accountable officers for risks</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>
<p><u>To provide assurance and effective accountability</u></p> <p>Governance comprises the arrangements put in place by Dorset Council to ensure that the intended outcomes for stakeholders are defined and achieved.</p> <p>The council ensures an effective internal audit service with direct access to members is in place, providing assurance about governance arrangements and that recommendations are acted upon.</p> <p>Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.</p>	<p><b><u>Evidenced by:</u></b></p> <p><b>Audit and Governance Committee</b></p> <p><b>Internal audit delivered by SWAP.</b></p> <p><b>Monitoring and reporting of audit recommendations</b></p>	<p><b><u>Identified Improvement for 2023/24</u></b></p>

<p>Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. We ensure that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.</p>	<p><b>Quarterly audit reporting to Audit and Governance Committee</b></p>	
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What we aim to do to improve: The [Council Plan \(PDF\)](#) incorporates ten cabinet commitments, the political steer from Cllr Spencer Flower, Leader of the council. It also now focuses on five new priorities:

- Protecting our natural environment, climate, and ecology
- Creating stronger, healthier communities
- Creating sustainable development and housing
- Driving economic prosperity
- Becoming a more responsive, customer focused council

We have a [Delivery Plan \(PDF\)](#) which outlines how we will achieve it – what we commit to delivering by 2024. We will report on our performance against this Delivery Plan, and strategic working groups led by corporate directors have also been set-up to monitor progress and success of the five priorities. A list of [supporting strategies](#) can be found on our website. The transformation programme at Dorset Council is made up of many projects from across each directorate looking to find ways that improve the way we work. By putting Dorset residents at the heart of decision making we seek to find more efficient ways to meet the needs of our community.

The programme is not just focused on our residents as we also want to make Dorset Council a wonderful place to work. The transformation programme themes align to the Dorset Council Plan priorities and our corporate values. Each theme has tangible outcomes by which we measure success. We learn and adapt at pace, and we focus on successful outcomes. We recognise that some change requires upfront investment and takes several years to achieve. So, we plan not just for the year ahead, but for the next five to ten years. We take a digital first approach so most residents can engage with us and access the services they need digitally. Digital technology and methodology help our council improve and provide the right service, at the right time, in the right way.

In everything we do, we play our part in tackling the global climate and ecological emergency.

We want to make sure that our transformation plans are visible to our workforce and members. We've created the transformation hub, where the programme, its projects and how we're delivering our vision through the transformation programme and relevant information can be found.



**Extreme Potential Risks**

**As of 3 April 2023**

Snapshot of Service Level Risks

To assess inherent risk, the impact and probability must be considered in the absence of any controls: what is the level of risk before controls are considered, what is the susceptibility of the Council to risk, in the first instance? Inherent risk assessment is intended to demonstrate the purpose and effect of control and mitigating actions – it will show the exposure if control, and mitigating actions fail.

An assessment of residual risk then follows and considers the control and mitigating actions identified. Where there is no change in the assessed risk score between inherent and residual, this is indicative of a lack of, or ineffective controls or circumstances where the council is limited in the action it can take.

<b>Impact</b>	Catastrophic	5	10	15	20	25
	Major	4	8	12	16	20
	Moderate	3	6	9	12	15
	Slight	2	4	6	8	10
	Limited	1	2	3	4	5
		Very Unlikely	Unlikely	Possible	Likely	Certain
<b>Likelihood</b>						

### Assessing Likelihood (Probability)

In assessing probability, the following 1 to 5 scoring system is to be followed:

<b>Likelihood (Probability)</b>	<b>Certain</b> Score 5	Reasonable to expect that the event WILL happen, recur, possibly or frequently
	<b>Likely</b> Score 4	Event is MORE THAN LIKELY to occur. Will Probably happen, recur, but is not a persisting issue.
	<b>Possible</b> Score 3	LITTLE LIKELIHOOD of event occurring. It might happen or recur occasionally.
	<b>Unlikely</b> Score 2	Event NOT EXPECTED. Do not expect it to happen or recur, but it is possible that it might do so.
	<b>Very Unlikely</b> Score 1	EXCEPTIONAL event. This will probably never happen or recur.

## Assessing Impact (Severity)

In assessing Impact, the following 1 to 5 scoring system is to be followed:

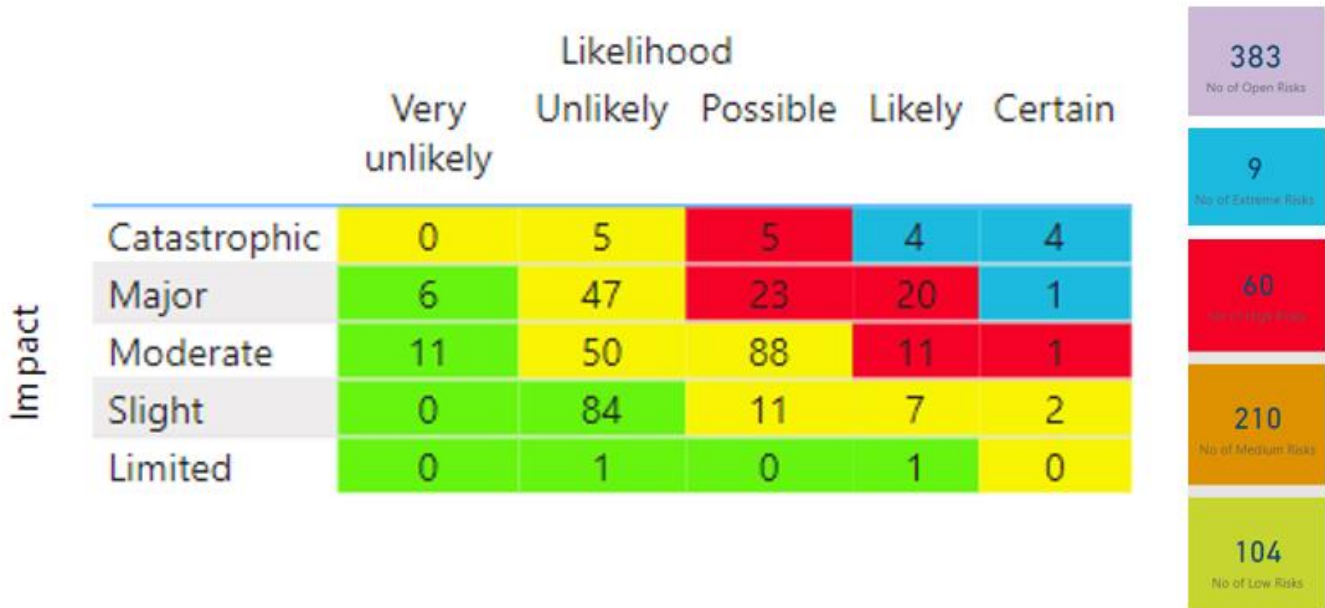
Impact (Severity)	<b>Catastrophic</b> Score 5	Multiple deaths of employees or those in the Council's care; Inability to function effectively, Council-wide; Will lead to resignation of Chief Executive and/or Leader; Corporate Manslaughter charges; Service delivery must be taken over by Central Government; Front page news story in National Press; Financial loss over £10m
	<b>Major</b> Score 4	Suspicious death in Council's care; Major disruption to Council's critical services for more than 48hrs; Noticeable impact achieving strategic objectives; Will lead to resignation of Senior Officers and/or Cabinet Member; Adverse coverage in National press/Front page news locally; Financial loss £5m-£10m
	<b>Moderate</b> Score 3	Serious Injury to employees or those in the Council's care; Disruption to one critical Council Service for more than 48hrs; Will lead to resignation of Head of Service/Project Manager; Adverse coverage in local press; Financial loss £1m-£5m
	<b>Slight</b> Score 2	Minor Injury to employees or those in the Council's care; Manageable disruption to services; Disciplinary action against employee; Financial loss £100k-£1m
	<b>Limited</b> Score 1	Day-to-day operational problems; Financial loss less than £100k

Level of Risk	<b>EXTREME</b> (20-25)	Risks at this level sit above our tolerance and form the biggest risks. Risks at this level sit above the tolerance of the Council and are of such magnitude that they form the Council's biggest risks. The Council is not willing to take risks at this level and action should be taken immediately to manage the risk.	<b>IMMEDIATE</b>  <b>ACTION AND REPORTING TO SLT</b>
	<b>HIGH-LEVEL</b> (12-16)	The Council is not willing to take risks at this level and action should be taken immediately. These risks are within the upper limit of risk appetite. While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level where possible.	<b>IMMEDIATE</b>  <b>ACTION</b>
	<b>MEDIUM</b> (5-10)	While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level. These risks sit on the borders of the Council's risk appetite and so while they do not pose an immediate threat, they are still risks that should remain under review. If the impact or likelihood increases, then risk owners should seek to manage the increase.	<b>REVIEW</b>  <b>CURRENT CONTROLS</b>
	<b>LOW</b> (1-5)	These risks sit on the borders of the Council's risk appetite and so while they do not pose an immediate threat, they are still risks that should remain under review. These are low level risks that could impede or hinder achievement of objectives. Due to the low level, it is unlikely that additional controls will be identified to respond to the risk. Minor level risks with little consequence but not to be overlooked completely.	<b>LIMITED</b>  <b>ACTION BUT REVIEW</b>

Risk assessment using probability and impact scoring can be subjective. The change in the overall risk profile demonstrates how action is taken to manage risks, to ensure the completeness of the risk register and to capture emerging risks. Note the deadline to update risks was 16 December 2022.

- The full **Services Risk Register** can be viewed from this link [HERE](#)
- And the **PowerBI risk dashboard** from [HERE](#)

## SUMMARY of PERFORMANCE (Risks update as of 3 April 2023)



Please note that at the time of drafting the report:

88 (23%) risks of the 383 total number of council risks require to be updated.

There are three parts to a risk – an **event** that has a **consequence** that leads to an **impact** and typical risk phrasing could be:

- loss of
- failure of
- failure to
- lack of
- partnership with
- development of, and all of which – that leads to and resulting in



<p><b>People Directorate for</b> <b><u>Adults and Housing</u></b></p> <p><b>Summary</b> <b>of Risks</b></p>	Likelihood					40 No of Open Risks	
		Very unlikely	Unlikely	Possible	Likely	Certain	(Blank) No of Extreme Risks
	Catastrophic	0	0	0	0	0	9 No of High Risks
	Major	0	0	3	4	0	21 No of Medium Risks
	Moderate	1	10	9	2	0	10 No of Low Risks
	Slight	0	8	0	2	0	
Limited	0	0	0	0	0		

**Adults and Housing Extreme Risks - None**

<p><b>People Directorate for</b> <b><u>Children's Services</u></b></p> <p><b>Summary</b> <b>of Risks</b></p>	Likelihood					26 No of Open Risks	
		Very unlikely	Unlikely	Possible	Likely	Certain	1 No of Extreme Risks
	Catastrophic	0	1	1	1	0	7 No of High Risks
	Major	0	3	4	1	0	13 No of Medium Risks
	Moderate	0	2	3	1	0	5 No of Low Risks
	Slight	0	4	2	2	0	
Limited	0	1	0	0	0		

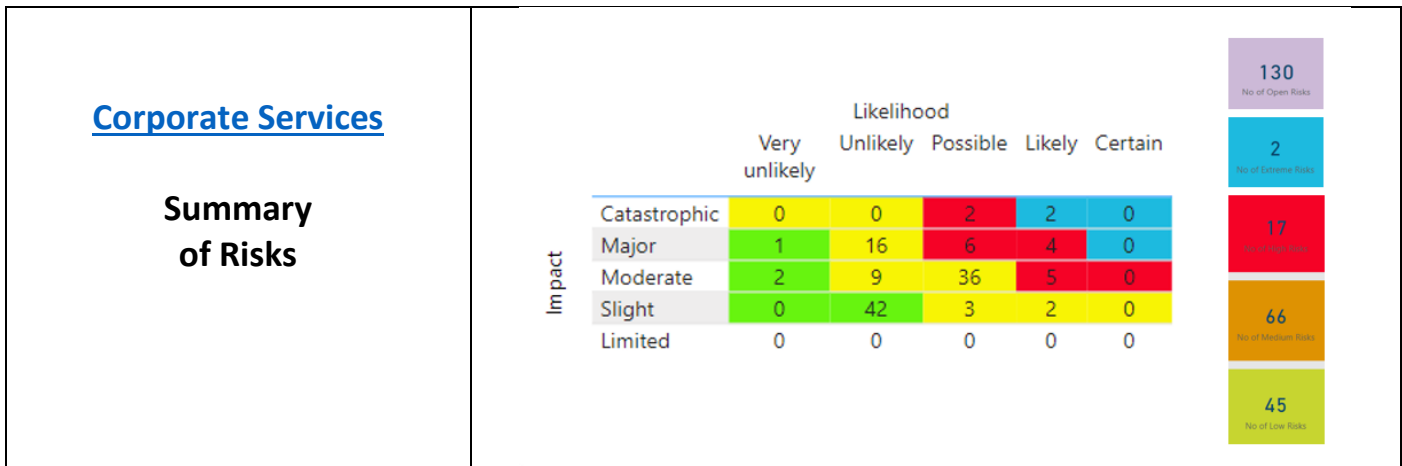
**Children's Services Extreme Risks**

**Schools & Learning**

- Risk 272 - Failure to stabilise the budget for the High Needs Block

<p><b><u>Public Health</u></b></p> <p><b>Summary</b> <b>of Risks</b></p>	Likelihood					13 No of Open Risks	
		Very unlikely	Unlikely	Possible	Likely	Certain	(Blank) No of Extreme Risks
	Catastrophic	0	0	1	0	0	3 No of High Risks
	Major	1	0	1	0	0	8 No of Medium Risks
	Moderate	0	0	7	1	0	2 No of Low Risks
	Slight	0	1	0	1	0	
Limited	0	0	0	0	0		

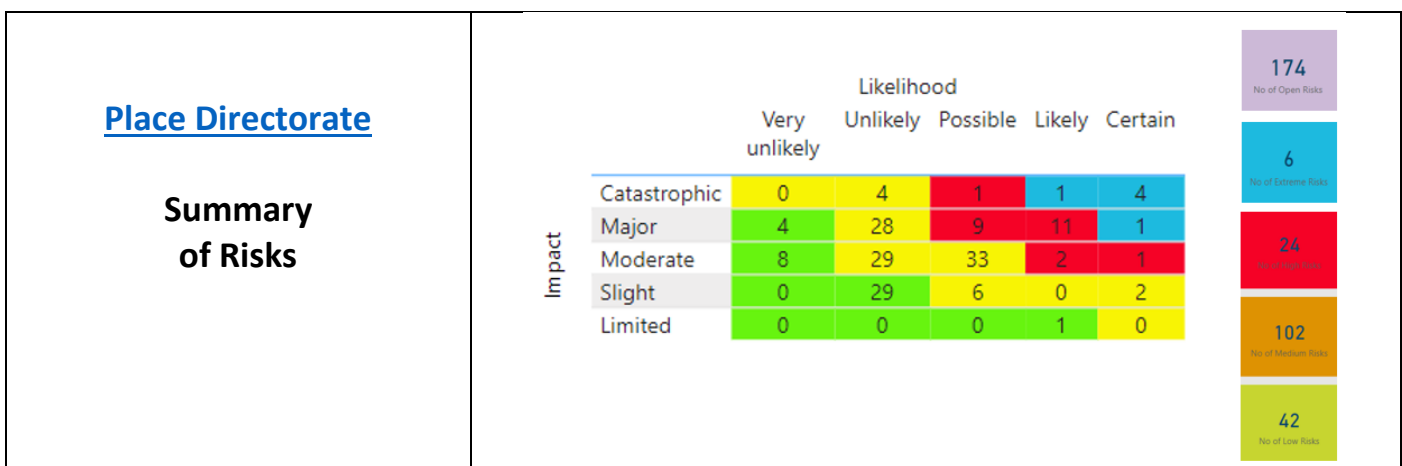
**Public Health Extreme Risks - None**



**Corporate Services Extreme Risks**

**ICT Operations**

- Risk 286 - Loss of ICT service or data through a cyber-attack
- Risk 348 - There is a business continuity risk from delayed ICT recovery after a disruption such as a power failure



**Place Extreme Risks**

**Assets & Regeneration**

- Risk 572 - Asbestos inspection compliance Health and Safety compliance and recording
- Risk 656 – Fire Risk Assessments
- Risk 138 - Breach of health and safety at an occupied premise
- Risk 571 - Corporate Landlord model not being fully implemented by the Council and all services.
- Risk 613 - The Assets & Regeneration main database TechForge is not complete with all relevant data following LGR in 2019.

**Place Based Services – COMMERCIAL WASTE & STRATEGY**

- Risk 381 - Cost of contracted services (HRCs operation, transportation) increases when retendered



## **Audit and Governance Committee**

### **17 April 2023**

### **Approach to Value for Money**

#### **For Decision**

**Portfolio Holder:** Cllr J Haynes, Corporate Development and Transformation

**Local Councillor(s):** All

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

Report Author: Dr David Bonner

Title: Service Manager, Business Intelligence & Performance

Tel: 01305 225503

Email: david.bonner@dorsetcouncil.gov.uk

**Report Status:** Public

#### **Brief Summary:**

In October 2020 the Cabinet agreed a framework and timescale for undertaking fundamental value for money (VfM) reviews of all the council's services. Delivery of this work has been slower than anticipated due to the recent pandemic and on-going capacity constraints. A Local Government Association Peer Challenge of finance services recommended we put VfM at the heart of everything we do.

This report provides an update on progress, including details of findings from a recent pilot VfM review undertaken with ICT Operations. The pilot was intended to test the methodology and to provide useful insight for ICT as part of this process. The pilot has found the tested VfM methodology to be resource intensive and unlikely to yield significant or valuable insight if utilised more widely across other DC services. Alternative approaches based on enhancing existing embedded processes and upcoming improvements in DC's use of data are recommended below as more expedient options.

#### **Recommendation:**

That the Audit and Governance Committee:

- i. Note the conclusion and outcomes of the VfM pilot work with ICT Operations.

- ii. Agree a revised approach to understanding VfM at Dorset Council by enhancing and utilising the existing Performance Framework and associated additional Business Intelligence.
- iii. Note that future enhancements to the DC performance framework will continue to bring finance, risk, operational, HR and customer data together. These approaches will be combined with relevant benchmarking data (where available and appropriate) to demonstrate VfM and an assessment of Economy, Efficiency, Effectiveness and Equity.
- iv. Agree the Business Partner (BP) model has embedded since the original VfM proposals, where BPs are now integral to the on-going challenge of performance, and also provide expertise into change and transformation processes.
- v. Note that fundamental service reviews are better served by DC's ongoing and extensive transformation programme, working in conjunction with Digital, Service Design and BI where performance data, intelligence and insight are fed into these processes.
- vi. Agree the link between VfM and consulting with customers will now be served by the Customer Transformation Programme, delivering a customer-centric approach at DC. This includes using data to understand customers' needs and feedback.
- vii. Agree that all data from the above will form part of the DC Performance Framework, providing on-going and regular monitoring which now supersede the original VfM methodology tested in the pilot.

**Reason for Recommendation:**

To ensure the council embeds Value for Money in all its services.

In respect to methodology, the pilot ICT VfM study found:

- The BI&P Service would need more resource to support any future reviews if undertaken using the same approach as the pilot methodology. The resource requirements from within the service being reviewed would also be high – it is unlikely that every DC service would have resource capacity to take staff away from their 'day job' to focus on VfM work. This would place further demand on the BI&P Service as the support function.
- The approach was only able to conclude an assessment of VfM in broad terms drawing primarily on a SOCITM survey. Only a limited number of other Services will have the advantage of drawing on societies such as SOCITM for benchmarking and surveying in this manner.
- Since the VfM work was originally conceived, the central BI&P Service has continued to embed the DC Performance Framework and to refine metrics and data products. DC are now in a significantly better position to be able to draw on data science and business intelligence to provide VfM assessments on an on-going assessment basis rather than as ad-hoc or one-off reviews.

- The recently agreed Data and BI strategy will deliver significant benefits to the data landscape at DC, including improved data quality, improved infrastructure and enhanced data tools and intelligence.
- Enhancements to the DC performance framework will continue to bring finance, risk, operational, HR and customer data together. These approaches can be combined with relevant benchmarking data (where available and appropriate) to demonstrate VfM and an assessment of Economy, Efficiency, Effectiveness and Equity on a regular basis.

## 1. Report

- 1.1 ICT Operations volunteered to be the first DC service to take part in a VfM review to test the previously agreed methodology. The pilot was intended to explore a possible process for measuring VfM. The aims of the pilot review were:
- To begin to develop a pragmatic VfM assessment process that could be used in-house.
  - To deliver a service specific baseline VfM report outlining the position for ICT Operations under the headings of 'Economy, Efficiency and Effectiveness'.
- 1.2 The findings provide evidence that Dorset Council's ICT Operations is, in most instances, delivering good value for money. This is based on a comparison to the survey benchmarks produced by a SOCITM survey (Society for Innovation, Technology and Modernisation), SWAP findings and the Cyber 360 review.
- 1.3 A minority of functions in ICT Operations were flagged as requiring some possible attention for VfM improvement (detailed below).
- 1.4 There is not sufficient evidence from this pilot review to draw a conclusion as to the level of productivity achieved by the service. To achieve this would require a measurement of productivity to be agreed and further work and analysis.
- 1.5 The SOCITM report provided a view of the Cost, Satisfaction levels, Service Delivery Model and Key Drivers/Weighted Gap analysis to enable comparison of the ICT Operations within Dorset Council and between Dorset Council and the other organisations surveyed. The Survey covered 2021/22 for cost analysis and 2022/23 for Satisfaction, Key Drivers and Weighted Gap analysis.
- 1.6 Caveats with the analysis are as follows: Whilst SOCITM make every effort to vet data returns, they cannot be certain that participant circumstances are equivalent. Participants are able to record local context

in the context statement section for the SOCITM return. Therefore, benchmarks are provided as an indicative comparative performance, which cannot be taken as absolute, but which may be used as an indication of performance.

- 1.7 The SOCITM results are benchmarked and provided as quartiles: so, if referring to spend for example and falling into the first quartile then Dorset Council would be in the lowest 25% of spend compared to other authorities surveyed.

## 2. **ECONOMY**

- 2.1 Dorset Council was found to have a relatively low spend on ICT, including on ICT staff. Cost of ownership per device is low, however our spend on device per user is higher than average. Network spend is low as a total percentage of ICT spend and Network spend per user is also low, however spend per device is higher than average.

## 3. **EFFICIENCY**

- 3.1 Excellent ICT service availability: ICT Service availability is shown as 96%, corroborated by the customer satisfaction survey reflecting a significantly higher than benchmark level of satisfaction with the availability of services.
- 3.2 Highly rationalised ICT device estate: DC benchmarked in the 1st quartile for the number of devices per user and 2nd quartile for the number of workstations per user, suggesting that we operate a well rationalised device estate. Dorset Council also has a much higher proportion of Smart Phones than other organisations and far fewer IP Desk phones and landlines. ICT ranked in the 3rd quartile for the number of users per printer, reflecting a rationalised print/copy/scan device estate, with devices available across a high volume of corporate properties inflating the figures.
- 3.3 Poor incident resolution within SLA: DC was in the 3rd quartile for the number of incidents resolved in 15 minutes. However, DC was found to be a poor performer for the number resolved within SLA (1st quartile). Despite the low fix within SLA, ICT have good customer satisfaction for incident support. ICT support FTE per user and device are reported as reflecting appropriate levels of capacity.
- 3.4 Governance & Standards: Dorset Council has not committed to achieve a number of governance/standard benchmarks, though works with a number of those suggested as influencers of practice (e.g. security standards, ITIL service management). The Service leadership has adopted a position that the effort to gain accreditation exceeds the additional value in doing so.

## 4. **EFFECTIVENESS**

- 4.1 Effective wide area network operation: DC's network spend as a proportion of total spend is 1st quartile, per device is in the 3rd quartile, whilst our network spend per site is 2nd quartile and our total spend on the network at the median (average). The average bandwidth per site is well above the median. A SWAP audit into the wide area network gave a 'substantial assurance' finding, with the new SD-WAN approach offering a strong balance between cost, performance and resilience.
- 4.2 Customer feedback is generally positive: Customer satisfaction is generally at the benchmark average or above for the majority of key metrics. The most positive feedback is the for the quality of the operational service – devices, availability and office systems all being well above benchmark satisfaction.
- 4.3 Lower scoring areas included: (1) Customer Service Skills of ICT support staff was below the benchmark; (2) the resource plans (availability of ICT staff) for new systems and new developments were below the benchmark; (3) Lead times for the development and delivery of new systems; (4) Resource plans for new systems and developments; (5) ICT training to improve users' ability to do their jobs effectively.
- 4.4 Customers comprising the 'Strategic Management group' (management level down to Head of Service) were identified as holding a view of ICT that differed from the general view. This group reflected lower than general satisfaction with the 'working relationships' between users and ICT support. Specific areas of concern highlighted:
- 'Responsiveness of ICT staff to changing service user needs'
  - 'Understanding user's business by ICT staff'
  - 'Resource plans for new systems and new developments'
  - 'Lead times for the develop and delivery of new systems'
  - 'Promptness of... processing requests for changes to existing systems'
  - 'Effectiveness of monitoring the ICT service's performance in delivering services to users'
  - 'Fitness for purpose of business systems'

The DC benchmark for the following elements of the service were all well above the benchmark group averages:

- 'Fitness for purpose of ICT equipment'
- 'Fitness for purpose of office systems'
- 'Amount of downtime'

## 5. Further audits and external reviews

- 5.1 SWAP audits:  
 Disaster recovery                      Substantial assurance

Wide Area network                      Substantial assurance  
ICT incident management              Substantial assurance

5.2    **LGA Cyber 360**

5.3    “Dorset Council has in place a strong cyber security culture and very good general approach to cyber security. There was evidence of capable leadership from the senior management team, demonstrated by high levels of personal engagement, robust relationships with IT and an enduring commitment to the appropriate funding of cyber security. Senior leaders should continue to discuss cyber security regularly.”

5.4    “The council’s IT team are trusted and respected across the organisation, not least because of their work ethic and efficacy during busy periods. There is, however, an overreliance on a core group of staff in terms of organisational knowledge.”

5.5    “In summary, Dorset Council should feel confident about their approach to cyber risk management.”

6.    **Financial Implications**

The finance Peer Review reiterated that, with increasingly scarce sources, it is essential that the council secures best value for all its expenditure and puts VfM at the heart of everything we do.

7.    **Environmental Implications**

No specific implications from this report although value for money reviews will need to take account of climate impacts.

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

None

9.    **Other Implications**

None

10.   **Risk Assessment**

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

Current Risk: Medium

Residual Risk: Medium

11.   **Equalities Impact Assessment**

Service reviews will need to include equalities impact assessments where changes to services are proposed as a result.

12. **Appendices**

13. **Background Papers**

Approach to Value for Money, Cabinet report, 6 October 2020

Value for Money update: Audit & Governance Committee report 27  
September 2021

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**Audit and Governance Committee Work Programme 2023**

<b>17 April 2023</b>			
	SWAP Internal Audit Update Report	Update Report	Portfolio Holder – Cllr Spencer Flower Officer Contact- Sally White - SWAP
	SWAP Annual Internal Audit Opinion 2022-23.	Report	Officer Contact- Sally White- SWAP
	SWAP Approach to Internal Audit Planning 2023/24.	Report	Officer Contact- Sally White- SWAP
	Annual Governance Statement and Risk Management Update	Statement/Management Report	Portfolio Holder- Spencer Flower Officer Contact- Marc Eyre
	Value for Money and Benchmarking Report	Update Report	Officer Contact- Aidan Dunn
	Update on External Audit	Verbal Update	Officer Contact- Ian Howse

<b>12 June 2023</b>			
	Annual Information Governance Report	Report	Portfolio Holder- Spencer Flower Officer Contact- Marc Eyre
	Annual Fraud Update Report	Update Report	Portfolio Holder- Spencer Flower Officer Contact- Marc Eyre
	ISA260	Report	Officer Contact- Ian Howse

<b>17 July 2023</b>			

**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
How Dorset Council holds and shares information	<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>The issue will be covered within the Annual Information Governance Report on 12<sup>th</sup> June 2023 meeting.</p>	At committee on 7 November 2019