

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 15 JANUARY 2024

Present: Cllrs Richard Biggs (Chairman), Pauline Batstone, Belinda Bawden, Simon Christopher, Barry Goringe, Robin Legg and Bill Trite

Co-opted Member: R Ong and S Roach

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

David Bonner (Service Manager for Business Intelligence and Performance), Susan Dallison (Democratic Services Team Leader), Marc Eyre (Service Manager for Assurance), Angie Hooper (Principal Auditor SWAP), Heather Lappin (Head of Strategic Finance), John Miles (Democratic Services Officer), Sally White (Assistant Director SWAP), Chris Swain (Risk Management and Reporting Officer) and James Fisher (Data Protection Officer)

Also present: Ian Howse (Deloitte Audit & Assurance).

50. **Apologies**

An apology for absence was received from Cllr Susan Cocking.

51. **Minutes**

The minutes of the meeting held on 13 November were confirmed and signed.

52. **Declarations of Interest**

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

53. **Public Participation**

No Public Participation.

54. **Questions from Councillors**

The Chairman of the Audit and Governance Committee read out a statement submitted by Cllr Paul Kimber:

My concern are the very poorest in our Dorset community the people that are reliant on food banks and the families that are struggling to get by with the need for decent housing.

With the proposed council tax increase, it's going to be very difficult for our communities to get by, it sounds right and proper to have a more community-based alternatives in the budget.

55. Verbal Update on the 2021 Audit

Heather Lappin made a comment on the 2021 Audit. The Dorset Council and Pension Fund Audit was near completion. The accounts for the Deloitte Technical Team to review the updated format for the cash flow. The expectation was for this Audit to be completed in the next few weeks. The Value for Money Report would then follow. For the 2021-22 Audit, the Deloitte Audit Team were currently undertaking the Audit for the 2021-22, Dorset Council and Pension Fund Account. Which was currently due to come to the March Audit and Governance Committee. The Audit was progressing well with no concerns being raised at the present time. For the 2022-23 Audit there was a delay to the accounts due to the issues regarding asset valuations. The accounts had now been completed and published on the website. The 2023-24 Audit was preparing to close down the final accounts and the new contract for External Audit begins with this new Audit. She informed that they were in discussion with Grant Forton about the timing of the Audit and the Audit Plan was expected to come to the April Audit and Governance Committee.

Ian Howse commented that 2022-23 was a bit more complicated given where the legislation was, due to there being a proposal from government that had yet to be released around a potential backstop. This involved Auditors having to stop working on all Audits so that most assurance possible can be gained as quickly as possible on the more current work and accounts. He responded to questions that Deloitte was well progressed with the 2021-22 Audit and all the planning procedures had been completed and was being reviewed.

56. Minutes of the Audit & Governance Sub-committee

No meetings held.

57. Risk Management Update

The Service Manager for Assurance covered the Risk Management Update Report. He introduced the new Risk Management and Reporting Officer. With his appointment the Risk Management Function was moved across from Assurance Service into the Business Intelligence and Performance Service. This would result in greater alignment with the Performance Management Framework and embed risk management across the organisation.

There had been no dedicated risk resource since June 2023. Which led to significant slippage in risk reviews. As of 20th December, when the report was issued, 58% of risks were overdue for a review. The Risk Management and Report Officer had already begun to reduce these numbers down to 44%. Other areas involved training and enabling a process of peer challenge to ensure a consistent approach to risk scoring was applied.

Co-opted member Mr Roach voiced an expectation that more substantive progress should be demonstrated for the risks identified as extreme, in terms of

accountability, actions and timescales. It was suggested that the Committee should pay close attention to the performance of these risks at future meetings.

Cllr Legg highlighted the risk of cyber-attacks on corporate bodies as very high.

In response to Cllr Legg's question about what the risk owners in ICT are doing about the risks posed by cyber-attacks on corporate bodies. He informed that the ownership rested with individual risk owners and having business owners embedded into directorate management teams will help to reinforce that.

Noted.

58. Report of Internal Audit Activity Progress Report 2023/24- December 2023

The Principal Auditor introduced the 3rd Update Report for the 2023-24 financial year. SWAP offered a reasonable interim opinion, and no significant corporate risks were identified. There had been three Limited Assurance Opinion Reports since the last Update Report in September. With regards to actions in response to the Climate Emergency Audit, SWAP continue to keep in contact with the Corporate Director Transformation Innovation and Digital and the team. There would also be another formal follow up in the next few months. SWAP undertook a follow up of the Premises Health and Safety Audit and confirmed that 4 out of 7 outstanding actions had now been implemented with revised implementation dates for the remaining 3. Work had been taking longer to complete than anticipated and work was in progress to address all actions. The long outstanding actions had increased to 22. Officers in recent Audits had agreed relatively short implementation dates which they struggled to meet and then a revised date needed to be agreed. SWAP advised that they would encourage officers to be more realistic with their time scales in the future.

Co-opted Member Mr Roach raised that it should be unacceptable to revise timetables for Priority 1 Actions arising from Internal Audits particularly given the significant risks associated with those priorities. He asked if these could be flagged for the committee's information and commentary.

The Principal Auditor agreed that this information can be provided in the future in SWAP Reports.

Noted.

59. Use of Authorised Covert Surveillance

The Service Manager for Assurance summarised the report. There was currently an existing Council policy for the regulation of the Investigatory Powers Act (RIPA). Compliance with the act is regulated by the Investigatory Powers Commission Office and this related to covert surveillance. He highlighted an error in the report which should read 6 months and not 12 in 2.2 in the policy. He highlighted that it was very rare that RIPA needed to be used and had not been used since the formation of Dorset Council. It was rare that any form of covert surveillance was necessary and had only been used once in the last 12 months for a full investigation. During the last investigation by the regulator which made a

number of suggestions to improve the policy. One was to include a light touch process for covert surveillance that falls outside RIPA. The Regulator recommended that there should be reporting to the committee on how the powers have been used.

Resolved

That the revised Use of Authorised Covert Surveillance Policy be approved.

Reason for Recommendation

To ensure compliance with RIPA and other associated surveillance legislation.

60. **Managing Unreasonable Customer Behaviour Protocol**

The Service Manager for Assurance introduced the report. The Unreasonable Customer Behaviour Protocol is currently how the council manages vexatious complainants and contact and in addition to that any incidences of aggression or violence. Most customers that deal with the council show respect but there were rare occasions where contact needed to be managed. The Unreasonable Behaviours panel had been strengthened with a member from the Mental Health Team and a member from the Ethnic Diversity Network.

On the panel of the Ethnic Diversity Network there were 12 individuals named on the supporting schedule. He went through some of the protocol changes which had been outlined in the report.

Cllr Robin Legg informed the committee that the protocol was less clear on vexatious people. He added that people often become vexatious because they were not fully listened to and he called for people to be dealt with more subtlety, and with more engagement.

In response, the Service Manager for Assurance added that the key thing was that officers had a view on the validity of the complaint and the individual had the ability to contact the ombudsman if they were unhappy with the initial response. In many cases that had been considered vexatious, often the complaints process had become exhausted, and officers continued to get contact, in which nothing can be added to the particular comment.

Cllr Robin Legg commented that often it was too expensive for individuals to take the council to court.

Resolved

That the revised Managing Unreasonable Customer Behaviour protocol be endorsed.

Reason for Recommendation

To manage challenging customer behaviour and protect Council workers (whether employees, volunteers, or elected councillors).

61. **Work Programme**

To add the 15th April External Audit 2022-23 to the Work Programme.

62. **Urgent items**

There were no urgent items.

63. **Exempt Business**

There was no exempt business.

Duration of meeting: 10.00 - 11.12 am

Chairman

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