

## **AUDIT AND GOVERNANCE COMMITTEE**

### **MINUTES OF MEETING HELD ON MONDAY 13 JANUARY 2025**

**Present:** Cllrs Gary Suttle (Chair), Spencer Flower (Vice-Chair), Belinda Bawden, Matt Bell, Neil Eysenck, Jill Haynes, Alex Fuhrmann, Andrew Parry, Andy Todd, S Roach, Shane Bartlett, Richard Biggs, Simon Christopher and Nick Ireland

**Co-Opted Member:** S Roach

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

Sean Cremer (Corporate Director for Finance and Commercial), Susan Dallison (Democratic Services Team Leader), Aidan Dunn (Executive Director - Corporate Development S151), Marc Eyre (Service Manager for Assurance), Angela Hooper (Principal Auditor SWAP), Heather Lappin (Head of Strategic Finance), John Miles (Democratic Services Officer), Sally White (Assistant Director SWAP) and Chris Swain (Risk Management and Reporting Officer)

**Also Present: Cllrs** Shane Bartlett, Richard Biggs, Simon Christopher and Nick Ireland.

**58. Apologies**

An apology for absence was received from Roger Ong.

**59. Minutes**

The minutes of the meeting held on 9<sup>th</sup> December 2024 were confirmed and signed.

**60. Declarations of Interest**

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

**61. Public Participation**

There was no public participation.

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

No meetings held.

**63. Risk Management Update**

The Risk Reporting Officer introduced the report. He went through the Overview report and covered the principal risk areas. The principal risks had been confirmed

following the approval of the new Council Plan. He covered section 1.5, work that had been completed recently, workshops with the children services extended leadership team and digital place service to share best practice around risk management architecture. There had been a minor change to the risk scoring matrix in 1.6 of the report, under likelihood, certain had been amended to almost certain. Under 1.7, the rolling 12 months since January 2024, which looked at the progress to do with risk register compliance. This time last year there was 41% compliance with risk register updates, and now for a consecutive month at 100% compliance.

Members questions and responses:

- Questioned about cyber security and simulating cyber-attacks by turning it all off. She enquired about how close the council was at turning sections off and seeing how it worked and how fast it took to catch up again.
- The Executive Director for Corporate Development responded to members questions. That the council had strengthened and invested against cyber-attacks and in regard to trials the Council had not got as far as switching things off but underwent a scenario - what would happen if Microsoft went down? The operations and incident team and a member of each department was pulled together and asked what the implications were and how they would manage. This exercise highlighted vulnerabilities and emphasised the importance of business continuity and recovery plans that are being worked on.

**Noted.**

#### 64. **September (Period 6) Financial Management Report 2024/25**

The Corporate Director Finance and Commercial introduced the report. The Q2 financial position as of the end of September was slightly delayed coming to this Committee due to sequencing that was set out at the start of the year and as the paper must go to Cabinet first there was a delay. Mid-February the Q3 position would be coming to Audit and Governance. He went through the debt position and presented a quick overview to the Committee. There was an overspend of £13.2 Million on the revenue budgets, this was predominately driven by pressures from people and housing. There were some offsetting savings coming through from Place and Corporate. There was a worsening position on the dedicated schools grant which was a national situation in which Dorset Council was trying to do the best locally and was in negotiations with the Department for Education and what it looked like going forward. Capital spend was £47 million. He referenced para 19.1 of the report which showed the scale of debt raised by the Council and the invoices raised by the Council. £135.6 million of invoices had been raised from 1<sup>st</sup> April to the end of September. He went through the movement and debt collected on a day-to-day basis, as at the end of the last financial year 23-24, £46 million was outstanding. 71% of that had been collected by the end of the year.

Member questions and responses:

- Simon Roach questioned the budget for revenue and capital – for revenue since 2019-20, the budget for adult and children’s services had increased by 10% even accounting for inflation, he queried if there was a cultural norm of acceptability of going over budget and what were the

consequences for budget holders going over budget, i.e. are there sufficient controls?

- The Executive Director for Corporate Development responded that it was difficult to strike a balance between statutory responsibility and look to budget holders to have long term strategic plans to understand the market, market management was crucial, increasing the capacity within the care market and controlling budgets when it is difficult to say no.
- Simon Roach queried the controls for the capital programs in flight. Is there any formal follow up of capital programmes to assure ourselves that the benefits (including cost avoidance) were being recorded and delivered post-capital approval?
- The Corporate Director Finance and Commercial went through the capital programs to show if there was a benefit and how these might be tracked.

**Noted.**

## **65. Information Governance - Update**

The Service Manager for Assurance introduced the report. The paper was a 6 monthly follow up requested by the Committee following the presentation of the Annual Governance Report back in July last year. At that time, it was recognised that there was quite a challenging action plan to meet the outcomes of the self-assessment that was undertaken based on an information compliance office toolkit. During the previous meeting some of the challenges in meeting information requests time scales and introducing some automations were discussed. The paper followed up on these issues and highlighted the progress. He highlighted paragraph 1.5 in the report, that some progress had been made on the action plan and the pace would increase when the current recruitment process was complete.

He covered section 2 of the report and advised that there was some focus on Freedom of Information Requests at the Place and Resources Committee, in which they were concerned about the red reporting. Overall, the Council was close to the 90% target set by the Information Commissioner. The areas that generated the most requests Place Directorate and Corporate were regularly reporting as green. There remained some challenges with Children's and Adults Directorates and the team was working with the Directorates to understand some of the issues. Mandatory training was at 88% but still short of the 95% that is a mandatory requirement in the NHS Data Security and Protection Toolkit. A Task and Finish Group had been established to move the compliance forward and to better understand the areas of non-compliance, what might be the blockers and offer suggestions around stronger consequences for non-compliance.

Member questions and responses:

- Paragraph 2.2 in 20 months Children's had only complied on 4 occasions and had been an ongoing problem for a long time. What is the underlying issue and why have we not in 20 months found what the issue is?
- The Service Manager for Assurance responded that the resourcing issues highlighted in the report had prevented proactive understanding the issues within Directorates. However, he assured that whilst the timescales were not met always within 20 working days, the vast majority of requests were

met within a further 20 days so were not considerably overdue. He accepted however that there was work to do in understanding the issues.

**Noted.**

**66. Corporate Complaints and Managing Customer Behaviour**

The Service Manager for Assurance introduced the report. He sought endorsement from the Committee on two policy documents. The first was an update to Our Whole Council Complaint Process, to reflect a review following a release of the ombudsman complaint code. A second document was a revision to our managing customer behaviour protocol.

Cllr Haynes informed the Committee that she was on a working group that went through this which helped to clear things up and made it easier to understand.

Proposed by Cllr Haynes, seconded by Cllr Flower.

**Decision: that the Committee reviewed and approved the revised Corporate Complaints Policy; and reviewed and approved the revised Managing Customer Behaviour Protocol.**

Reason for Decision

To ensure that the Corporate Complaints Policy is consistent with the Local Government and Social Care Ombudsman's revised Code, and that adverse customer behaviours can be managed fairly and appropriately.

**67. Update on Our Future Council Work**

The Executive Director Corporate Development updated the Committee on Our Future Council Work. He recapped that Our Future Council is the Council's transformation programme that seeks to improve the experiences of our customers while reducing the costs of running and operating the Council.

The outline business case went to Cabinet in November and Cabinet agreed that the Council should develop a more detailed business case. The finishing touches were being added to the finalised business case that would go to Cabinet on the 28<sup>th</sup> of January. The Joint Overview Committee last week recognised and endorsed the role of the Audit Committee in looking at the implementation of Our Future Council Transformation Programme.

**68. Report of Internal Audit Activity - Progress Report 2024/25 - January 2025**

The Principal Auditor, SWAP introduced the report. The third update report for 2024-25 financial year. SWAP offered a reasonable interim opinion and issued three limited assurance opinions since the last report: Temporary Accommodation; Children Services Social Care Complaints; and Effectiveness of Business Continuity Plans and summary reports are included at the end of the report.

Business Continuity Plans had been identified as having a significant potential corporate impact and the Information Governance paper presented earlier in the meeting provided the committee with more details and plans in place to address the issues identified in the audit. The actions were due to be implemented by the end of May 2025 and SWAP would report progress of implementation in our update in July 2025. In the September update it was agreed to follow up the actions for the limited assurance opinion for Estates and Income Debt Management because since issuing the report, SWAP had been advised there was more evidence available that had not been provided at the time of the audit. The follow up concluded that the original opinion still stands but 4/5 actions that were due had been completed with 1 in progress. For implementation of actions as of today- there were 25 overdue actions, 11 of which had passed their original date and 14 of which passed at least 1 revised date. There were 10 actions in which the date had been revised once but the latest revised date had not yet passed. It was disappointing to see the number of actions with revised timescales remained high, but SWAP was in contact with officers to obtain updates.

The Corporate Director for Finance and Commercial clarified the process around the Local Housing Allowance and the setting of rents for temporary accommodation properties.

**Noted.**

69. **Work Programme**

No comments were made.

70. **Urgent items**

There were no urgent items.

71. **Exempt Business**

Proposed by Cllr Suttle, seconded by Cllr Flower.

Decision

That the press and the public be excluded for the following item(s) 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).

**Duration of meeting:** 6.30 - 8.00 pm

**Chairman**

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