Dorset Council

AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 12 JANUARY 2026

Present: Cllrs Spencer Flower (Vice-Chair), Neil Eysenck, Jill Haynes, Andrew Parry, Andy Todd, Beryl Ezzard, Ryan Holloway,

Co-opted Members: R Ong and S Roach

Present remotely: Cllrs Belinda Bawden

Also present: Cllrs Nick Ireland and Shane Bartlett.

Officers present (for all or part of the meeting):
Sean Cremer (Corporate Director for Finance and Commercial), Marc Eyre (Service Manager for Assurance), John Miles (Democratic Services Officer), Sally White (Assistant Director SWAP), Sophie Blackburn (SWAP), James Ailward (Head of ICT Operations), Lisa Cotton (Corporate Director for Transformation, Customer and Cultural Services), Steven Ford (Corporate Director for Strategy, Performance and Sustainability), Chris Matthews (Head of Human Resources) and Chris Swain (Risk Management and Reporting Officer).

174. **Apologies**

Apologies for absence were received from Cllrs Suttle and Kippax.

175. **Minutes**

The minutes of the meeting held on 24th November 2025 were confirmed and signed.

176. **Audit and Governance Action Tracker**

The Corporate Director Finance and Commercial, Sean Cremer highlighted his actions on the Action Tracker. The first action was around updating systems, in response to the SWAP paper in identifying weaknesses and controls. There had been a range of activity including updating SAP which was the main financial ledger system for the approval route which took effect just before Christmas. Orders had been rerouted according to a different scheme of delegation and additional spend controls had been introduced around in year approvals. Some of the approval ratings had been lowered to require director sign off. Which was due to the SWAP process and managing the financial position. More would be discussed when the Q3 report was brought forward.

In response, it was requested for the written response sent by Sean Cremer for action 6 in the Action tracker to be circulated to the rest of the Members of the

Audit and Governance Committee. Along with the additional answer given during the Committee regarding the £28 million social care debt but only £17 million collectable, and if this would be collectable eventually and what percentage of the debt would never be collected and written off?

Co-opted Member, Mr Roach asked for an action to be added to the list from the October 13th meeting regarding children in care with reference to the competition of markets authority report in 2022. In that report there was a series of suggestions on what local authorities could do to increase their purchasing power for example, collaborating across authorities. He asked what conclusion was drawn from that and for it to be added as an action that could be completed as a written response.

177. **Declarations of Interest**

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

178. **Public Participation**

There was no public participation.

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

No meetings held.

180. **SWAP Update Report.**

Sophie Blackburn, Principal Auditor SWAP introduced the report. Due to on-going concerns SWAP continued to offer a limited assurance opinion which was made up of outstanding actions still in progress and two significant corporate risks. Since the last report in October 2025, two limited assurance opinions had been issued. The first was the family hubs program phase one and the second from data maturity. She referenced pg 21 of the report, which highlighted two significant corporate risks. The first was contract and expenditure compliance audit of which could be confirmed that the significant process progress had been made through the second follow-up and had resulted in only one action that remained outstanding. For the outstanding action, a paper was expected to go to SLT and Cabinet this month outlining actions for the ongoing arrangement from April 2026. The second significant corporate risk was from the investigation work, and an action plan was confirmed in December with 35 actions agreed with the latest remediation date being the 31st May 2026.

Cllr Todd asked given that the Council does not currently maintain a complete record of all systems holding personal data, has identified inconsistencies between Information Asset Owners and service teams, and has approximately 36,000 paper records awaiting retention decisions, can officers explain how the Council is currently assuring itself that it is meeting its data governance and data protection obligations?

In doing so, can officers set out the risks arising from the current position, including regulatory and financial exposure, and confirm whether officers recognise that non-compliance could, in principle, expose the Council to enforcement action and fines of up to 4% of annual turnover, however unlikely that outcome may be?

Finally, can officers outline the concrete actions, leadership arrangements, and timescales in place to address these issues, including system oversight, resourcing, and training?

He noted that the Green RAG rating on management attitude towards data, but this problem has not been updated since the introduction of GDPR

Marc Eyre, Service Manager for Assurance responded that there would be an updated Information Governance Report coming to Audit and Governance Committee at the earliest opportunity.

Noted.

181. **Audit Actions Update**

Sally White, Assistant Director for SWAP introduced the report. 4 Audits had been identified, and 3 officers were in attendance, to provide members with an update on each of the 4 audits.

Steven Ford, Corporate Director for Strategy, Performance and Sustainability added that work had been done to re-calibrate the way that they were monitoring compliance in a general sense and how outstanding external audits were monitored and strengthening the relationship between risk management and outstanding audits.

James Ailward, Head of ICT Operations addressed the Application Portfolio Management Issue and the specific action that was outstanding was communicating the general ledger codes to commissioning managers such that they were coding software purchases accurately within our SAP system such that we have an understanding of the spend that we have across the Council on application software and an outstanding action that could be addressed immediately and completed by the end of the month. It was a part of a bigger piece of work and had been lost in that bigger piece of work. Looking at the broader application portfolio and understanding more strategically how the software portfolio that we use supports the objectives of the organisation. The risk of the action remaining open was that there would not be a proper understanding of costs and they aimed to mitigate the risk through the new design authority approach to governing change by doing just in time analysis of the portfolio in a broader sense to allow change decisions around commissioning of new software to be completed in a way that understands the costs as well as some of the other aspects like alignment and technology health and capability. Such that the organisation was making considered decisions around the software and its commissioning. The just in time approach had already been started and introduced to the design authority. He covered the two actions that were outstanding on IT management, one of the actions was complete and the other was near completion. The first action which was near completion and related to ensuring that the risk and impact assessment were completed for all proposed changes. To develop robust testing and validation protocols prior to deployment and to provide targeted training relevant to teams and then to do an audit to ensure compliance with that process. So, the element of that which was not complete was the audit which would be done by the end of March 2026. The other action related to updating the policy to account for shifts in recent years around IT best practice for change management. At this point the residual risk was significantly reduced.

Marc Eyre, Service Manager for Assurance, went through two actions that had been identified as part of an internal audit on the Council's whistleblowing arrangements. The Audit provided a reasonable assurance level but identified a couple of priority three recommendations around training. As part of the audit, five managers, one from each directorate area were approach by SWAP to ask to what extent were they aware of the whistleblowing policy. All five confirmed that they were aware of the policy but two had to refer to the document to understand what was meant by a protected disclosure and to understand the reporting lines and that prompted these particular actions in order to try and increase manager awareness. There had been some delays in responding to the actions, firstly the revision of the policy documentation that underpinned the training was delayed until August to alleviate pressure on the Committee agenda, which then had a knock-on impact on the wider actions. The revised protected disclosure whistleblowing policy was approved by the Committee in August 2025 and since then he had been working with colleagues in the learning and development team to create a revised training module. The risk had been mitigated to quite a high degree.

Sean Cremer, Corporate Director Finance and Commercial gave an update on behalf of Katie Hale, Head of Revenues and Benefits Transformation, Customer and Cultural Services. Council tax accounts that were routinely monitored and checked through a process which ensured accuracy and timely refunds. For risk management there was regular reporting in place to identify accounts that were in credit and quarterly reviews for tracing complex cases to try and minimise the risk. The process meant that it was actively managed and refunds were proactive where possible. He added that he would circulate a more detailed written answer which would go into more detail on the process and this would be shared with SWAP.

Noted.

182. **Risk Management Update.**

The Risk Management & Reporting Officer, Chris Swain, introduced the report. There was 100% compliance in risk register updates for quarter 2. The new risk dashboard was fully operational, providing a central and accessible location for entering, updating and consuming risk information. The Committee had received a briefing and demonstration of the dashboard's functionality. In 2026 there would be three key initiatives, first delivering a learning module to support the embedding of the RM framework across the organisation. Second to review Dorset Council's risk scoring matrix with improvements in automation and greater granularity around the impact and likelihood of components, providing enhanced insight to support more informed decision making. Lastly, strengthening alignment between the ERM framework and SWAP processes, to ensure a consistent risk-based approach to audit actions.

The Chair noted Co-optee Simon Roach's request for increased visibility of risks 22, 91 and 200. The Chair highlighted the scale and complexity of each of these risks and asked officers to determine the most appropriate approach for undertaking a deep dive into them. Cllr Steve Robinson – Cabinet Member for Adult Social Care – advised that a deep dive into risk 200 would be premature, as the Council is still awaiting Government confirmation on the final system processes. The Chair acknowledged this point but emphasised that where a deep dive cannot yet be undertaken, this should be noted and added to a forward plan for when it would be feasible.

Item 194 on the report was referenced and refers to the instability in the high needs bloc budget may create increased deficit in the dedicated school grant resulting in deficit in Dorset Council's financial position. It was identified as a significant issue for the Council and there was a request for reassurance from the Cabinet Member for Education and finance to reassure the Committee to mitigate significant financial risk to the organisation.

Noted.

183. **Work Programme.**

No Comments.

184. **Urgent items**

There were no urgent items.

185. **Exempt Business**

There was no exempt business.

Duration of meeting: 6.30 - 7.27 pm

Chairman

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